FBIS DAILY REPORT

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OAS, OECS SIGN MEMORANDUM OF UNDERSTANDING

FL181805 Bridgetown CANA in English 1752 GMT 18 Jun 86

[Text] Castries, St Lucia, June 18, CANA -- A memorandum of understanding has been signed here between the Organisation of American States (OAS) and the Organisation of Eastern Caribbean States (OECS). The agreement provides for a closer cooperative relationship between the two organisations which will seek to establish consultative mechanisms on matters of common interest as well as the exchange of information and documentation. The agreement also provides for cooperation in specific projects between the OECS and OAS Secretariats.

Speaking at the signing ceremony, OECS director-General Dr Vaughn Lewis said that the agreement provided a broad framework for undertaking collaboration in join activities. Cooperation between the two groupings has already led to the initiation of natural resource management project, for member states of the OECS with support coming from the government of West Germany, Lewis said.

In his remarks, Secretary General of the OAS Joao Clemente Baena Soares noted that the agreement was on between the OAS, the oldest regional organisation in the Americas and the OECS, one of the newest. He also pointed to the opportunity which the agreement provided for the coordination of efforts and better use of resources by both organisations.

All six independent states of the eight-nation OECS are members of the OAS.

NATIONS SUPPORT MEXICAN ANTI-APARTHEID STAND

FL192030 Mexico City NOTIMEX in Spanish 1915 GMT 19 Jun 86

[Text] Mexico City, 19 Jun (MOTIMEX) -- Ecuador, Argentina, and Costa Rica have expressed their support for Mexico's condemnation of the policy of apartheid and they indicated that the Mexican position is in accordance w'th the highest principles of humanity.

Argentine Ambassador to Mexico Facundo Suarez aid his country broke relations with South Africa a long time ago because their policy of racial segregation is against human principles and rights. He said Mexico's statement has the support of the Argentine people since it is in agreement with Argentina's international policy. Suarez said currently Mexican-Argentine relations are at their highest point, and because of this trade and contact will be expanded in the near future.

Costa Rican Ambassador to Mexico Angel Edmundo Solano Calderon stressed that Mexico's position is in agreement with his country's principles since racism is incongruous with the thinking of the inmense majority of Latin American residents.

For his part, in reference to the Mexican Foreign Secretariat's communique, Gustavo Bucheli, head of the business department of the Ecuadoran Embassy in Mexico, said the policy of apartheid is reprehensible. He added that Ecuador has always condemned racism at all international forums and now Ecuador's position is strengthened by Mexico's statements.

ARMY UNREST OVER HUMAN RIGHTS RULING DENIED

PY231859 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2255 GMT 19 Jun 86

[Excerpts] Buenos Aires, 19 Jun (NA) -- Sources from the Defense Ministry today stated that "there is no unrest" in the Army Command as a result of the Federal Court resolution requesting that the Armed Forces Supreme Council hand over all cases of human right violations now under the jurisdiction of the I Corps. This statement was made at the conclusion of a meeting of Defense Minister Horacio Jaunarena with Army chiefs to discuss "the progress of Army reorganization" and the salary situation. In this regard the Defense Ministry sources admitted that "the issue of the 300 cases requested by the Federal Court was discussed" in addition "to other matters, but added that it was discussed only as a result of questions asked by some Army chiefs, not as a result of any unrest in the Army."

The sources also indicated that the other issues under discussion were the Armed Forces budget and salaries which are now being studied at different government levels, especially in the Finance Ministry. "No decision has been made on the salary issue" said the sources. Regarding the budget, the sources indicated that "the idea to keep the budget within 2 percent of the GDP prevailed, in accordance with the guidelines submitted to the National Congress."

Regarding reports of an obvious unrest in the Army over the Federal Court's decision, the sources indicated that "there is no unrest among the Army chiefs or Army chief of staff," General Hector Rios Erenu, who headed the meeting. The meeting held today by Jaunarena with the Army leadership is the first since he became defense minister after German Lopez' resignation.

5 AIRLINE EMPLOYEE UNIONS END CONFLICT

PY231939 Buenos Aires TELAM in Spanish 1704 GMT 20 Jun 86

[Text] Buenos Aires, 20 Jun (TELAM) -- Five of the six airline employee unions today decided to lift all coercive measures for at least 90 days. During this time both the unions and the Aerolineas Argentinas managment will not do anything that could affect social peace and the normal operations of the company. For its part, the company has agreed to reinstate all the employees who were dismissed during the conflict, and to analyze proposals for improving performance and the quality of the services.

In a nine-point document, the parties agreed that the salary readjustments enforced while the advisory council is active will be the same for all the unions that signed the document, and will not be discounted from any salary hike that the executive branch might decree. The advisory council, made up of managment and union representatives, will analyze the innovations that the parties will propose in connection with salaries and working conditions.

The document was signed by Aerolineas Argentinas President Horacio Domingorena and by representatives of the Argentine Association of Airplane Navigators (AAA), the Aeronautic Personnel Association (APA), the Aeronautic Technical Personnel Association (APTA), the Association of Airline Technicians (ATLA), and the high-level Aeronautic Personnel Association (UPSA). The demands posed by the Association of Airline Pilots, which has announced an indefinite strike for 1 July, still remain.

LETTER OF INTENT WITH IMF, ECONOMIC PLAN APPROVED

PY211302 La Paz La Red Panamericana in Spanish 1130 GMT 20 Jun 86

[Text] Bolivia has signed a letter of intent to implement a 12-month economic adjustment program with the IMF. The letter of intent, through which Bolivia commits itselfs to implement this economic program, notes that this economic program presupposes the granting of a $50-million loan in Special Drawing Rights [SDR], which represents approximately $58 million. The IMF has reported that the agreement was signed to support the economic and financial program that the Paz Estenssoro government implemented in August 1985.

The economic adjustment program is aimed at drastically reducing inflation and the public deficit and balancing of economic decline of the past 5 years. The credit agreement reached with the IMF is equivalent to 55.1 percent of Bolivia's IMF quota, while the financial obligations that Bolivia has pending with the IMF total $44.5 million. The agreement with the IMF will allow Bolivia to resume its talk with the creditor countries of the so-called Paris Club as well as with commercial banks. The government plans to start talks with these groups to achieve a renegotiation of its foreign debt before the end of the month. Moreover, it hopes that it will be able to reach another commitment with the international banking sector.

COMMERCIAL COOPERATION ACCORD SIGNED WITH PRC

PY211749 La Paz La Red Panamericana in Spanish 1130 GMT 21 Jun 86

[Text] The PRC delegation ended its visit to Bolivia yesterday. During a special ceremony, the PRC delegation and the Bolivian Confederation of Private Businessmen [CFEP] signed an agreement, which reads as follows:

With the objective of developing ties of cooperation between the CFEP and the China Council for the Promotion of International Trade and of increasing commercial and economic relations between Bolivian and PRC companies and institutions, the CFEP and the PRC Council, which from now on shall be referred to as the parties, have agreed to the following within the framework of mutual benefits and on the basis of equal terms.

The two parties will maintain sustained communications and will make efforts so that within the framework of their respective fields of activity they will promote the development of commercial, economic, and technical cooperation between th PRC and Bolivia. The two parties will regularly exchange informative publications and materials concerning their respective trade and policies and the development of the pertinent organizations in their respective countries.

Both parties will help their business and economic organizations to establish mutual relations. They will promote and assist exchange visits by economic, commercial, and technical delegations. The two parties will exchange information on international fairs, exhibitions, and other promotional commercial activities to be held in their respective countries.

The two parties will make efforts to exchange information and material regarding the development of new products, technological innovations, and production processes in their respective countries by informing the companies and respective organizations at the proper time. The two parties will promote the exchange of technical and commercial information between their respective companies in the rural, mining, and metallurgical sectors.

Through their proper national organizations, both parties will promote efforts aimed at defending the prices of those resources produced by each country. Both parties will exchange consulting services and will promote the development of joint ventures [preceding two words in English] and of other economic and technological cooperation programs between companies in their respective countries.

If necessary, both parties will call meetings to evaluate the fulfillment, expansion, or amendment of this agreement. This agrement will be in force from the date it is signed and it will be valid for a 3-year period. It can be extended automatically for successive 3-year periods unless one of the parties terminates this agreement through a written notification 6 months in advance of the date in which each period expires.

BANZER EXPRESSES CONCERN ON WAGE POLICY

PY211908 La Paz La Red Panamericana in Spanish 1700 GMT 21 Jun 86

[Text] One of the most important events of this past week was the new meeting held between the two national majority leaders. President Victor Paz Estenssoro and [Nationalist Democratic Action, ADN, leader] Hugo Banzer Suarez held a meeting at the San Jorge presidential residence. After the meeting, ADN leader Hugo Banzer said that Bolivia has a good and positive image abroad as a result of the measures that the government has adopted.

In his capacity as ADN leader, Banzer expressed his concern over what may happen at the domestic level, because the government has yet to make specific decisions regarding certain social problems that may deteriorate if the government does not grant the salary increase that has been promised. Former President Hugo Banzer said he favors granting salary increases to the Bolvian workers, who have supported the government's economic program by patiently waiting for the month of June before proposing new salary increases.

COB'S LECHIN OQUENDO SAYS TIN ERA NOT OVER

PY201703 La Paz La Red Panamericana in Spanish 1700 GMT 19 Jun 86

[Excerpts] It is not true that the tin era is over. This was said by Juan Lechin Oquendo, a leader of the Bolivian Labor Confederation, in answer to statements that were made by the president when he said farewell to a group of campesinos and miners who were leaving for the country's eastern region. Lechin also said that tin prices will recover their traditional international level by 1987.

[Begin Lechin recording] The president maintains that the tin era is over. But, this is not true. Notwithstanding the fact that the president is a learned person, I believe that due to his many duties he is not concerning himself with the problem of the tine industry. Experts in the tin sector hav stated that tin prices will experience a slight increase by the end of this year and they are predicting that the price of tin will reach $3.50 during 1987. They of course think that it will take some years before tin prices reach $5 or $8. [end recording]

AGREEMENT WITH SOVIETS TO INSTALL MANGANESE PLANT

PY231935 Rio de Janerio O GLOBO in Portuguese 21 Jun 86 p 20

[Text] Vale do Rio Doce State Company has signed two agreements with the Soviet Government, one on technological cooperation and the other for the installation of manganese processing plant in the State of Maranhao or Para. These are the first agreements signed between the Vale do Rio Doce and the Soviet Union, which, according to this company's president, Raymundo Mascarenhas, represent the opening of the East European market for Brazil.

Mascarenhas explained that the Soviet Government will finance 50 percent of the investment of the installation of an iron-manganese plant, which will require an investment of $100 million (1.38 billion cruzados) until 1989. This plant will have an annual production of 150,000 tons of iron-manganese, beginning in 1990. Under the agreement, the Soviets are committed to purchase at least half of that production for 12 years, which, at today's prices, will amount to $25 million (3.46, million cruzados) per year.

The Soviets will finance the purchase of equipment and the payment of services. Brazil will pay its $50 million share of the investment (692 million cruzados) in 10 years, after a 3-year grace period at an interest rate of 6.5 percent per year. Mascarenhas said that the Vale do Rio Doce is negotiating a reduction of the interest rate.

The president of the Vale do Rio Doce also reported the signing of a technical cooperation agreement with Tsvetmetpromexport, the Soviet enterprise that coordinates the institutes of technological research for nonferrous metals. He explained that samples of gold, molybdemum, titanium, and peat moss for agricultural uses will be initially sent to the Soviet Union.

Mascarenhas revealed that the negotiations lasted a week and were made under provisions of the technical and commercial cooperation agreement signed between the Brazilian and the Soviet Government in December 1985. In addition to Mascarenhas, the other participants in the negotiations with the Soviets were Eliezer Batista, chairman of the Rio Doce International; Deoclecio Rodrigues, Director of the Development Area; Ulisses de Freitas, New Products Superintendent; and Joaquim Manger, Commercial Area Coordinator for East Europe.

TERAN ON PRESIDENT'S CALL FOR POLITICAL DETENTE

PA201518 Quito Radio Quito in Spanish 2300 GMT 19 Jun 86

[Text] Following a military ceremony this morning, Foreign Minister Edgar Teran Teran discussed aspects related to the country's internal policy with local reporters.

Regarding President Leon Febres Cordero's speech in which he called for a detente, Foreign Minister Teran said that it was positive, because both the government and the oppostion should work together for the country's benefit.

Teran added that the government of reconstruction is not trying to impose one ideology over another. He stressed that an understanding among the various political sectors in the country should not be based on a change of policy of the current regime, but on a feasible agreement between all sectors.

[Begin Teran recording] During this beautiful transfer ceremony at the Police Command, the president has been very clear in stating that an understanding among Ecuadoreans -- in the sense that we must resolve common problems affecting the entire Ecuadoran society -- depends on the goodwill of all the sectors involved. The president has emphatically stated that the intention is not to impose one ideology over another. However, the national government, elected in completely free elections, which publicized its government platform for the consideration of the Ecuadoran people during the electoral campaign and received the majority of votes, not only has the right, but the duty of maintaining its political stance. An understanding with other political sectors should not be achieved through [words indistinct] changes in the general concepts of the government policy, but through acceptable agreements between the sectors. [end recording]

GOVERNMENT TO SUPPORT OPEC MEETING DECISIONS

PA232021 Quito Voz de los Andes in Spanish 1130 GMT 23 Jun 86

[Text] Ecuador will adopt a position of solidarity with OPEC and will attend the ordinary OPEC conference on the Yugoslav island of Brioni on Wednesday with its oil production leveled off at 303 million [as heard] barrels a day. According to the head of the Ecuadoran delegation, Energy and Mines Minister Javier Espinosa, OPEC will reach a consensus on modifying the current production ceiling proposed for this year, which is 13.3 million [a day] during the third quarter and 17.3 million during the fourth quarter. OPEC's current oil production exceeds 18 million barrels a day and the efforts to conciliate the criteria of the 13 OPEC member-countries are aimed at establishing a strategy, which must be placed into effect in July for the purpose of recovering the official oil level [nivel oficial de petroleo].

POLICE VEHICLE DESTROYED DURING DEMONSTRATIONS

PA230113 Madrid EFE in Spanish 0504 GMT 22 Jun 86

[Text] Quito, 21 Jun (EFE) -- An Ecuadoran police riot control vehicle was set on fire by a group of demonstrators that included high school and university students.

Police sources reported that on Friday a tank was dispatched to control Central University student disturbances, but was totally destroyed by flames from "Molotov" cocktails hurled by the demonstrators.

The vehicle was apparently destroyed. The police report did not specify if the vehicle occupants, who had been clearing obstructions from the road, were burned or escaped uninjured.

This incident occurred at the site of the Central University of Ecuador during the 2d consecutive week of demonstrations protesting the high cost of staple products.

Student groups have been constantly blocking traffic for 15 days and clashing violently with police around the university and other schools.

Up until now the protests have claimed the life of one university student who was struck by a bullet fired from one of the antiriot police cars.

According to police reports, 30 students were arrested during the first week of street disturbances.

However, despite the demonstrations and the government clampdown, the prices of staple products continue to increase.

Student and union leaders announced that the street demonstration will continue until the government takes effective measures to control the high cost of living.

BRIEFS

$10-MILLION LOAN APPROVED -- The Directorate of the Andean Development Corporation has approved a $10 million loan to Ecuador to develop its small industry and handicrafts. The Ecuadoran National Development Bank will transact the loan. [Summary] [Caracas EL UNIVERSAL in Spanish 14 Jun 86 p 2-1PA]

REPRESENTATIVE OPPOSES CUBAN ALADI PARTICIPATION

PY240222 Asuncion EL DIARIO in Spanish 23 Jun 86 p 13

[Text] In view of the possibility that Cuba may join the Latin American Integration Association (ALADI) as an observer, Fernando Constantini, coordinator of Paraguayan activities before ALADI, has stated that the Paraguayan delegation "will always uphold an anticommunist stand." Constantini stated that "if this were to happen, we could not allow a country that insists on upholding an aggressive Marxist-Leninist stand to join an international organization, because we know about all the guerrillas and infiltrators that Cuba has exported or tried to export to other countries." Constantini stressed that "if this occurred, we could not allow our enemy to join an organization that precisely aims to promote cooperation and integration among the Latin American countries."

Regarding a scheduled meeting of customs directors to be held in Havana, he said that "we cannot agree to a meeting of customs directors to be held in Havana. I do not believe that a Paraguayan representative will be able to attend such a meeting, since Paraguay does not and will not maintain any kind of relations with Cuba."

MINISTER SAYS LAINO NOT ALLOWED TO ENTER COUNTRY

PY240302 Asuncion Cerro Cora Sistema Nacional Television in Spanish 0000 GMT 24 Jun 86

[Informal press conference by Interior Minister Dr Sabino Augusto Montanaro with unidentified reporters on 23 June; place not given -- recorded]

[Excerpts] [Reporter] A few minutes ago [Interior Minister] Dr Sabino Augusto Montanaro stated that Dr [Domingo] Laino will not be allowed to enter the country tomorrow, charging him with being an agitator and a subversive. Concerning [former U.S. ambassador to Paraguay] Mr Robert White, Montanaro stated that we know this individual quite well. Mr Minister, we do not want to miss this great opportunity to talk with you about tomorrow's event -- Dr Laino's latest attempt to return to the country.

[Montanaro] And what do you want me to tell you?

[Reporter] I do not know. Whatever you know about this, Mr Minister, please.

[Montanaro] If he makes an attempt to enter the country, he will be banned, because we consider him a subversive element, dangerous, a public agitator with a well-known record in our country even to those who will reportedly accompany him tomorrow, that is, former Ambassador Robert White or some deputies and senators.

Domingo Laino burned a U.S. flag when Mr Nelson Rockefeller visited our country. You may guess the moral standards of this individual who wanders through foreign countries and international organizations, as published in today's press, asking that no credits be granted to Paraguay. This is his idea of patriotism. He does not realize that he is harming, that he is seeking to harm our country. However, we know him well, and we are willing to confront him. He will not come to disrupt the country's peace, order, and tranquillity. We know about his adventures, and we know about the adventures of former Ambassador Robert White, who now seeks to come to our country to dictate democratic rules, or I do not know what rules.

He will be received. However, we know his record. We know about his adventures, and the Colorado Party and the government are willing to defend the country's tranquillity and peace.

[Reporter] Mr Minister, are you saying that if a delegation comes accompanying Dr Laino it also will be banned from entering the country?

[Montanaro] No. The one who will not be allowed to enter the country is Mr Domingo Laino. The rest, if their papers are in order, will be allowed to enter the country.

[Reporter] What will the procedure be Mr Minister? Will he be told to remain inside the airplane, or what?

[Montanaro] That will be up to the security services, who must enforce the order that he not enter the country. Thank you very much.

Foreign Minister on Laino

PY201701 Asuncion HOY in Spanish 20 Jun 86 p 7

[Text] Foreign Minister Carlos A. Saldiver stated emphatically yesterday that "there is no reason why we should discuss the return to Paraguay of political exiles with any ambassador." The foreign minister made this statement in response to a question posed to him shortly after receiving U.S. Ambassador Clyde Taylor. In referring to the meeting, Saldiver stated only that they had discussed "issues related to U.S.-Paraguayan relations, the cooperation maintained with the U.S. Government as well as our stance, which many times coincides with the international organizations."

The idea that they could have discussed Domingo Laino's return could not be confirmed by Ambassador Taylor, who gave the media no time to ask him about the meeting. However, the concern shown by congressmen and high-ranking U.S. Government officials regarding the political opponent's return to Paraguay lead us to believe that Ambassador Taylor could have mentioned the subject to Minister Saldivar.

Laino's return at this moment is probably most inopportune for the Paraguayan Government. High-ranking authorities, among them Interior Minister Sabino Augusto Montanaro, have repeatedly commented on the government's refusal to allow Laino back. The foreign minister reiterated that no ambassador has any authority on the subject and, therefore, it should be free of any foreign pressure.

It is well known, however, that Foreign Minister Saldiver, as well as the Paraguayan ambassador to the United States, Marcos Martinez Mendieta, have received petitions from congressmen, private organizations, U.S. Government authorities, and various individuals regarding Domingo Laino's return to Paraguay.

In a message addressed to Ambassador Martinez Mendieta on 9 June, Congressman William Lehman stated: "I would like to know whether Laino will be prohibited from returning to his country and, if so, the reasons for that decision."

Former U.S. Ambassador to Paraguay Robert White, in another message to Minister Saldivar dated 13 June, announced that he "would participate in a delegation that would accompany Laino to his country" and that together with other prominent U.S. citizens he granted his support to the political leader.

SOCIALIST INTERNATIONAL CONGRESS OPENS IN LIMA

Garcia Speech

PY212327 Lima Television Peruana in Spanish 0200 GMT 21 Jun 86

[Speech by President Alan Garcia Perez opening 17th Socialist International Congress at Crillon Convention Center in Lima on 20 June -- recorded]

[Excerpts] Mr President, fellow socialists, friends: On opening the 17th Congress of the Socialist International [SI], which comprises 75 political movements and represents hundreds of millions of citizens throughout the world, I welcome you, fellow SI members, who share our ideals and hopes.

You come from different continents, you speak different languages, you belong to different races, your countries have had different histories, but you have come to meet here guided by a single sentiment: solidarity, a guiding principle of democracy and socialism.

You have come here despite the acts of violence with which totalitarian and criminal people sought to prevent or mar this meeting. You have come despite the biased campaign, which disseminated gross reports about Peru in an attempt to sow fear among the SI delegates. Still, you have come as standard bearers of socialist solidarity because you believe that in our effort to promote dignity and justice, we should not yield to difficulties. Thus, on opening this congress and reaffirming our decision to take action and keep our commitment, I want to tell you that this government -- which is also your government because it represents all Peruvians -- will not stop.

Although we are experiencing the worst crisis in our history as a result of many years of domination, injustice, and errors, our government will not stop. The Peruvian Government will not give up its position regarding the foreign debt, which has brought distress to poor countries and which jeopardizes their development, and it will not yield to the IMF. The Peruvian Government will invariably maintain its decision to defend Latin American sovereignty, which is threatened by imperialist intervention in Central America, and it will unreservedly support the revolutionary cause of the Nicaraguan people.

The Peruvian Government will maintain its objective of carrying out a democratic revolution that would be instrumental in building a society in which freedom, equality, and solidarity will prevail. The Peruvian Government will also defend order and its nationalist, popular democracy.

There are some who believe that to promote dialogue a democratic government must yield to economic power or to criminal, antipopular violence. I want to tell these people that a government elected by the people, to establish order and promote changes, must be patient and generous. However, it must also be firm because a popular democracy cannot be weak and should not let violence prevail in the country. If this happens, brutal force will prevail.

When the people vote for justice and nationalism they expect their decision to be respected. When preparations began here for this SI meeting and in the presence of journalists from many countries, terrorist criminals simultaneously attempted to seize several prisons by taking hostages and arms.

Several citizens and members of security forces were also murdered in recent days. All these actions are designed to blackmail our democracy in the eyes of other peoples. These criminal actions respond to the objectives of the imperialist power that dominates the future of mankind.

Before the whole world and putting all our cards on the table, representatives of our government urged the rioting inmates to surrender. A group of men of good faith went to the prisons to implore them to avoid sorrowful events. Since this effort was unsuccessful, the government had to exercise its authority, with the dramatic and regrettable outcome of the loss of many lives, including members of our security forces. Yet, we have managed to preserve a fundamental principle: authority. This authority does not stem from the brutal force of a fascist dictatorship or tyranny. It is the authority and moral strength of a democratically elected government. This authority stems from the inflexible power of the laws before the government must be firm and stern to make the people's will respected. Only by exercising the authority bestowed upon us by the people through elections will we be able to build a nationalist, democratic state and a society of free men devoid of exploitation, hatred, or injustice.

Therefore, we will steadfastly defend the people's democracy in Peru from our right-wing enemies and from totalitarian and criminal people alike. These goals are our best greetings to all socialist and democrats who are here today and our best tribute to the memory of our protector and friend Olof Palme, our deceased fellow socialist who promoted democratic socialism, defended and sided with the poor, and is today another martyr for mankind and its struggle for the future. I also want to greet President Brandt, our great companero and Nobel Peace Prize winner, who is a living symbol of solidarity and of our commitment to freedom and justice.

Companero Brandt, I cannot tell you how much I regret that your presence, which is a symbol of peace, has coincided with these concerted actions perpetrated by the enemies of democracy. As the democratic ruler of this popular democracy, in the name of Peru and of all socialists, and in the name of our people who have not lost hope, I want to sincerely apologize for this. I want to tell you, however, that the power of the state and the power of democracy will prevail over those who overlook the fact that a true revolution can stem only from democracy and elections. [applause]

Fellow socialists, I want to welcome you in the name of the Peruvian people and of our renewed democracy. I also want to welcome you in the name of the great champion of social justice in Latin America, of someone who advocated anti-imperialism as his revolutionary principle, and who for 60 years called upon the people to promote social justice: I want to greet you in the name of the founder of the American Popular Revolutionary Alliance [APRA], I want to greet all socialists in the world in the name of Victor Raul Haya de la Torre. [applause]

This is the first world socialist congress held in Latin America. It is therefore a historic (?event) attended by representative of rich, developed European countries and representatives of Third World countries, which were first dominated by capitalist imperialism. Early in this century, however, the socialist movement also reached the Third World and appeared as a possible solution.

Here we are with different names and doctrines, seeking to identify the common goals of our struggle. We recognize, however, that our peoples and histories are different.

We are meeting here at a time when the foreign debt is distressing poor countries, when the economic power of rich countries causes world restrictions, when imperialism threatens the weak, when the arms race among big and small countries reflect the profound irrationality prevailing in today's world, and when ideological fundamentalism seems to lead people to death. Yet we are meeting here because we believe that all peoples and men are equal, because we are in solidarity with mankind, and because we believe in freedom.

Today world order is experiencing an unprecedented crisis. Neither the capitalist system nor the statist system has been able to solve development problems. In fact, it is the modern concept that the United States and Europe should be the world centers of economic and political power that is now in crisis.

Even those political movements questioning this world order ended up joining it and betraying the principles of social revolution. Thus, it is our duty to continue to promote justice and freedom to understand the links existing among those of us who, under different names, are convening in this Congress. To this end, we must recall and recognize first that we are a pluralist equality.

What for many centuries we have called Western civilization has always been just an ethnocentric system. Since the time the imperialist peoples called all other peoples barbarians, Western civilization has primarily sought to promote equal principles. Paradoxically, this great civilization built on the superiority of certain groups -- although recognizing the existence of other races -- has always sought to impose its culture and civilization on others.

This is a dialogue within the complex framework of the history of socialism. Latin American social democracy and European democratic socialism are here, jointly seeking great goals, namely liberty, equality, and solidarity.

When I talk about solidarity, I am addressing myself to those socialists who are acting within rich societies or the richest and most powerful governments.

I remind them that they are morally obliged to pursue the cause of the poor people of the world, to defend the interests of the poor whenever they are at odds with the economic interests of their nations or governments, because if they overlook those ethical and human duties and turn their backs on the legitimate demands of the poor people of the world they wouldn't really be socialists. [applause]

Socialists and democrats of the world, the Peruvian Government is a government that is struggling for its ideals and principles, that is identifying itself with its aspirations.

As happened in Europe a century ago, many people believe that socialism can only exist as a distributor of abundance and that democracy is a straightforward solution to the most serious historical problems. They are completely wrong.

Within our poor peoples, destroyed by the imperialist actions, justice is to be achieved patiently. It requires time, effort, sacrifice. To indulge in delusion or impatience, to deny solidarity because of dramatic events, means to lack of the drive and persistence of socialism.

Eleven months after the APRA government was inaugurated, Peru is still experiencing the worst crisis in its history. The international prices for our products continue to drop. For this reason alone, this year we will receive $500 million less than we received last year for our exports.

The burden of the foreign debt is increasing day by day and is mortgaging our future. Inflation prompted by past governments has curbed but not halted, causing impatience among those who do not understand that Peru is a common endeavor. However, the reactivation is under way despite these problems. We progress with difficulty, slowly.

The redistribution of income for the poor sectors, which is one of the APRA tenets, is taking place amid great complications.

Within the political field, credibility in the democratic system and the state continues to be precarious, very weak. For many years, the people learned to distrust the government. Many people still vote with hope, but do not have much confidence.

In addition, many sectors do not identify with the government's efforts, and place hope in the idea that by increasing poverty and conflict they will have electoral advantages in the future. They do not remember the experience of other peoples who quite often were led into the dark fascism of dictatorships because of the confrontations prompted by vested interests.

Let me greet someone who, although not a member of this Socialist International, is here with us: Hortensia Bussi de Allende, the wife of the Latin American martyr president. [applause]

The efforts of the Peruvian people's government, the efforts of the APRA government will also pave the way toward justice and liberty. However, this is an effort that is confronting difficulties, a lack of understanding and dramatic events.

We will not repeat bitter experiences of the past. We will affirm, with the strictness and the force required by a popular government, the defense of the will expressed by the people to counter the right-wing enemies and also those enemies who, through the escalation of their contradictions, want to have us repeat those bitter experiences which, I am certain, will not be repeated in Peru.

However, beside all this, there is political violence which, stemming from anonymous terrorism, expresses who knows what criminal interests or goals.

Socialist friends, all this does not intimidate us. It will not make us retreat. With the same firmness with which we defend the law, we will defend the people from abuse and monopoly and we will defend ourselves from misunderstandings and misinformation.

Friends, this century has taught us that socialism has never been called to assume power amid opulence or richness as people believed last century. We are called to power whenever there is delusion, whenever there is a serious crisis, whenever there is no choice.

However, that is our responsibility. Perhaps that is our destiny and we already know our role. Let us swallow the bitter drink of momentary misunderstanding, so we can pave the way to consciousness and future.

Elections and opinions are an important part of politics. However, timeless truth is more important for an APRA believer. Therefore, I am telling you that this government is testing the ideological record of those who built the social doctrine of Latin America.

We are testing the strength of democratic socialism. We are testing the strength of the law and of the people's will.

We have stated that there is no democracy without anti-imperialism. We want to rescue our country and our continent from the swing of international selfishness. We, along with the other Latin American countries, were exporters of raw materials. We supported colonial and centralist industrialization. Now we are just debtor countries.

Therefore, we have taken decisive steps regarding the major problem of the 20th century, the foreign debt.

In our opinion, the foreign debt epitomizes the history of the dependency of Latin America and the people of the Third World. The foreign debt reflects the low prices being paid for our raw materials, the high interests being unilaterally collected, and the financial merry-go-round involving new loans to pay old debts.

Whoever believes in democracy in Latin America, must be an anti-imperialist or must express solidarity with that struggle in the world. [applause]

All anti-imperialists must clearly define their position regarding the debt, clearly, without objections, and without excuses. Either one supports the irrational system in which money has imposed its evil forces or one supports the people. Either one supports the banks or the poor of the world. The side you choose will determine whether or not you support justice. [applause]

The debt is not a political obsession of this government. It is not a publicity banner of the APRA government. The debt is real. It is making the poor people of the world poorer. It is being said that the International [SI song] is being sung on behalf of those poor people. The foreign debt's influence determines the level of state spending, the level of subsidies for staples, the cost of domestic credit lines, the level of salaries, and, thus the social and economic structure of our countries.

Therefore, the debt is now the key issue. It is the essence of the historic action being demanded from us today. Its solution epitomizes the liberty of the people and the restoration of their sovereignty.

In the second place, to struggle to be free of the debt means to struggle for the cancellation of a social order whose voracity and indebtedness has benefitted the oligarchies of our nations.

In the third place, to struggle against the debt means to recover our right, our people's rights to think of governing their own economies, thus breaking the colonial chains of liberalism imposed by the IMF, the world guardian of the international order of injustice.

This is transcendental nationalism we are preaching.

We want to put an end to the hegemony of the monetarist recipes and break the chains of the false theories devised to benefit the international economic centers and increase the misery and pain of the poor.

With their doctrines the rich have opened our economies exposing them to destruction. They have devaluated our currencies, and made credit more expensive. They have ruined our industry, pushing the people into despair. All this occurred in a continent with unlimited agricultural, mining and human resources. They have left our values out in the cold, banished.

They have done all this in complicity with the dominant classes of our peoples who played the lowly role of surrendering our destiny.

From now on, in our opinion, nationalism is to decide our destiny. However, the nationalism we advocate, as a principle of justice, must include the entire continent.

A 150-year-old dependency shows us that separated nationalistic ways have worn out. There is the dramatic situation of people who have chosen the destiny of the financial merry-go-round and are obeying the IMF dictates, peoples who time and again find poverty and failure.

Only joint actions by the Latin American peoples and the solidarity of the world's socialists and democrats will now, at this historic juncture, provide the key to a different quality of society.

We stated this when we conveyed our solidarity with the effort made by the Contadora Group, which is the Latin American political will to mediate between a small brotherly nation, which we support and will support, and the interventionist and shameless will of a powerful country.

Therefore, we say that this is a historic and decisive moment. This is the time for the peoples of Latin American because they demand that the governments act clearly and open the gates of history.

For us, democracy means to reorganize wealth and property. It means to reconstruct the state. It means to democraticize its services and a possibility for all social groups to participate in its institutions.

Therefore, we are making all these efforts now, amid the crisis, to meet the basic needs of neglected people who are demanding water, electric power, and work. This is the reason for our effort to rescue from oblivion the Andean Peru and the old empire which still survives amid the campesino community whose brotherly work we want to use as an example for a new democracy.

For us, to strengthen justice means to overcome hatred and distrust concerning other countries to definitely limit arms spending which, in most cases, only benefit sellers and those earning commissions and whose customers are the same countries whose confrontations they promote and encourage.

We have the moral authority of a government whose initial decision was to limit and cutback arms spending. I am urging the socialist and democratic heads of state of the rich countries to become aware of their historic responsibility.

How could one regard as socialist a poor country that arms itself against another country? How could one regard as socialist a rich country that for the sake of profit stimulates the production and sale of arms and other instruments of death, and which thus becomes an accomplice to those profiting from and dealing in human grief.

I believe a socialist must never forget that socialism means solidarity with life. No socialist can manufacture or sell arms. [applause]

We believe democracy should overcome the new distortions created by capitalist consumerism. Thus, as socialists, democrats, and APRA members we are determined to wage an all-out struggle against the drug trade. Drug trafficking is not a major social risk for Peru, but is to the people and youths of other countries, in the defense of which we will assume in the name of mankind and for which we will fight to ultimately eradicate the drug trade in Peru.

We will do all this amid the worst crisis in our history and great misunderstandings, especially from social groups that are not necessarily the poorest sectors.

We are thus faced with an instinctive temptation in the face of organized political pressure and in the face of an irresponsible exercise of liberties: We are naturally tempted to sacrifice democracy to act more effectively.

I want to tell you here that we are firm and stern. Crises and violence are dramatically testing the strength of our doctrine. It has been said time and again that crises engender fascist governments or the concept of a socialist totalitarian state.

Reaffirming our ideas, I want to tell you that despite the crisis we will maintain our full democracy to make all Peruvians good citizens. We will defend the people's decision to bring changes: We will defend it from domestic and foreign influences alike. We will also defend the people against terrorist violence and crimes, which only reflect irrational hatred.

We will fight violence with the effective power of the laws because democracy must be based on order and justice. We will defend democracy against selfishness and immorality; we will defend it against concealed injustices. Indeed, I tell you that we will build on our continent a people who will defeat imperialism, a people who will break the bondage of monopolies and oligarchies and who will build a society like the one sought by Haya de la Torre, that is, a society with bread and freedom.

Companeros, these are our goals. We are welcoming you with them, and we will bid farewell to you with these same goals. They are the same goals you are harboring because men have fought for them for many centuries. We will devote our time and our lives to achieving these goals. If we fall while fighting for these ideals, we would have strengthened them. This would thus be our contribution to disseminating these ideas and the generations to come will hear the voice of those of us who are speaking today about the future.

Socialists of the world, please convey our greetings to your peoples and to your parties. When you return home, please tell them that amid great difficulties we Peruvians will continue to struggle because we have faith in freedom, in justice, in solidarity.

Welcome, companeros, in the name of the people; in the name of those harboring hope; in the name of Haya de la Torre; welcome in the name of Peru, which is a fatherland of all world citizens. [applause]

Bombing Attempted

PY201938 Madrid EFE in Spanish 1918 GMT 20 Jun 86

[Text] Lima, 20 Jun (EFE) -- An alleged member of the Peruvian Shining path guerrilla Movement was blown to pieces today by a bomb that she was presumably going to throw at the building where an SI congress is being held. Unconfirmed reports indicate that two people have been killed in the building.

The police also believe that Shining Path members have infiltrated the security measures at the hotel where the SI members are staying.

Bombings, Fire Surround Opening

PY202148 Paris AFP in Spanish 1928 GMT 20 Jun 86

[Text] Lima, 20 Jun (AFP) -- A strong military operation designed to provide security during the SI Congress was put into motion today when two bombs exploded in downtown Lima, it was reported today by police sources. One bomb exploded in a restaurant adjacent to the San Martin Plaza in downtown Lima, 200 meters from the Bolivar Hotel -- where most of the SI delegates are staying -- and approximately five blocks from the Crillon Hotel Convention Center, where President Alan Garcia was then opening the SI congress. A few minutes earlier, another bomb was detonated on the Jiron Moquegua, four blocks from the Crillon Hotel. Both bombs caused damage but no injuries, the source said.

A huge fire early this morning completely destroyed the Venecia movie theater, despite the efforts of seven squads of firemen who fought the fire for 7 hours. The fire caused no injuries, and no subversive group has claimed responsibility for these attacks, the police said.

Concern Over Prison Riots

PY230331 Madrid EFE in Spanish 0200 GMT 23 Jun 86

[By Enrique Valls]

[Text] Lima, 22 Jun (EFE) -- The XVII SI Congress here tonight voiced its "consternation" over the events that occurred in this capital on 19 June during the repression of the riots by inmates charged with terrorism in three Lima prisons.

In a declaration referring to the events, the Congress also states that concern surfaced during the Socialist Congress over the "methods used and the number of dead" that resulted during the repression of the riots. The declaration states that Peruvian President Alan Garcia himself had considered the number of dead excessive and had admitted the seriousness of the incident by asserting that several investigations, one of them at congressional level, will be carried out. The document says that the Peruvian Government has the firm determination to investigate all events and to guarantee the punishment of all those found guilty of abuses.

The declaration then goes on to point out that the Peruvian Government has stated that its doors are open to all international human rights organizations to prove for themselves that the investigations are carried out.

The SI voices its satisfaction over the Peruvian Government's decision, which is a sign of its determination to strengthen democracy in Peru. The SI also reasserts that respect for the universal human rights declaration is a basic principle and that it should be respected under all circumstances by governments. The Socialist document adds that terrorism cannot be allowed to destroy the state of law and that governments have the right and duty to defend themselves from terrorist actions with adequate means. The declaration was issued after lengthy deliberations.

The events to which the document refers have caused serious concern among the European delegates attending the SI congress, while the Latin American delegates justified the measures taken by the Peruvian Government to repress the riots.

Further Concern Expressed

PY220346 Madrid EFE in Spanish 0149 GMT 22 Jun 86

[Text] Lima, 21 Jun (EFE) -- An atmosphere of concern prevails at the XVII SI Congress, especially among the European delegates, over the deaths of a large number of inmates 48 hours ago in the Lima and Callao prisons. To add to the concern, two bombs exploded today in Lima and stricter security measures are being taken downtown where thousands of policemen watch over the SI congress. The government also ordered the closure of theaters in the area after a fire yesterday destroyed the Venecia theater. The fire has been attributed to subversive groups.

This morning a car bomb exploded in the San Isidro district, leaving the Peruvian Construction Bank practically in ruins and damaging nearby houses and businesses, but causing no casualties. A bomb was also thrown at a police post in the Miraflores district, wounding a policeman and causing some damage. These and other attacks, which occurred yesterday, are interpreted as a reaction from subversives over the deaths of terrorists held in three prisons in Lima and Callao when the riot conducted by imprisoned Shining Path terrorists on 18 June was put down by the government.

The reception that President Alan Garcia was going to give for the SI delegates, who yesterday opened a meeting that will end on 23 June, was also suspended for security reasons.

It has also been reported that 43 students of the Technical University in Callao were arrested by the police for disrupting order. Yesterday that university was surrounded by the police when students demonstrated accusing the government of genocide over the events in the prisons of Lurigancho in Lima, and Santa Barbara and El Fronton island in Callao.

A climate of concern over the events in the prisons has been observed among the SI delegates, especially among those of Europe, while the Latin Americans try to justify the action taken by the Peruvian Government against the riots.

President Alan Garcia held a 2-hour meeting yesterday with the SI president, former FRG Foreign Minister Willy Brandt, to explain what happened, but apparently the Social Democratic leader was not satisfied. Today the Peruvian president will meet at a dinner with the SI executive committee, apparently to assess the same issue.

Meanwhile, this afternoon four SI delegates, three Germans and a Belgian, made a personal request to visit the Lurigancho prison, but the police who have cordoned off the area did not allow them to enter. Military forces remain within the prisons, however, since the three prisons have been declared "restricted military zones."

United Left Deputies Agustin Haya de la Torre and Cesar Barreda Bazan, accompanied by Uruguayan Broad Front representative Jose Daiz, and some reporters also requested to enter the Lurigancho prison, but their visit was also prevented. The United Left deputies wanted to learn about the fate of 70 detainees who belong to that party and who are being held in Lurigancho.

Moreover, United Left Deputies and Senators sent a message to the SI, asking the organization to "intervene before the commander in chief of the armed forces, Alan Garcia Perez, that is, the president of the Republic, to end the military intervention in the prisons."

The IU representatives have also requested that, in addition to the signatories of the document, Peruvian and foreign journalists be allowed to enter the Lurigancho Prison so that the bodies of the inmates can be turned over to their relatives. Today, Peruvian Vice President Luis Alberto Sanchez stated the bodies of Shining Path members will be turned over to their relatives.

Sanchez also admitted that SI representatives have criticized the way in which the Shining Path rebellion was put down. Sanchez said these people had the right to disagree. He added: But we, in turn, criticize and disagree with those who criticize us and disagree with us. Sanchez, a prominent leader of the ruling American Popular Revolutionary Alliance, has said that if "excesses" were committed in putting down the riots in the Lima jails, those responsible "will be punished." He also said that the government does not regard the case of the riots "as a victory, but as a painful action it had to take."

Moving scenes were also observed in Lurigancho, where relatives are trying to find out about the whereabouts of inmates held there on common crimes.

The United Revolutionary Left (UNIR), a member party of the IU, has reported in a communique that 11 victims of the riots were buried at the Surquillo Cemetery, a district of Lima. Of the 11 victims, 2 were female Shining Path members killed in Santa Barbara and the others were reportedly from Lurigancho. Others reports said those buried there totaled 30.

Access to jails placed under civil courts has also been restricted.

Foreign Debt Proposal

PY220250 Paris AFP in Spanish 1946 GMT 21 Jun 86

[Text] Lima, 21 Jun (AFP) -- The XVII Socialist International [SI] congress announced today in Lima that it will propose the cancellation of the debts of the poorest countries and the rescheduling over 30 years of the debts of the other Third World countries with a maximum annual amortization not higher than 20 percent of export revenues.

The congress will also propose a joint conference of debtor and creditor countries, including the banks, in order to create an international debt organization [Organizacion International de la Deuda -- OID] that will negotiate agreements with each country for the payment of its debts, establishing time limits, interest rates, and due dates, and also manage and supervise the execution of the agreements.

The economic policy committee, which met on the 2d day of the congress that will end next Monday, states in a work document that the indebted countries should also adopt measures to put into effect minimum social levels, to limit expenditures on weapons, and to fight against capital flight, with the purpose of better organizing their economies and debts.

According to several third world representatives who are participating in the sessions, the SI initiatives are quite valid for what has been established as the worst problem resulting from the world economic crisis.

The document recommends five basic measures to face the debt crisis within the framework of global recovery:

1) Cancel the debts of the least developed countries, mainly those of the Southern African Sahara and of other developing countries.

2) To reschedule the debts of the remaining Third World nations based on the extension of the 30-year limit at least to pay the principal of the debt, including especially the Latin American countries, whose current debt levels not only restrict their importing capacity, but threaten the security of the financial institutions of the developed countries.

3) Set a ceiling for the interest rates to complement the extension of deadlines on payment of the principal, and thus decrease the current interests.

4) Set the payment of the debt in proportion to a certain percentage of export revenues of the developing countries not to exceed 20 percent.

5) Increase the Special Drawing Rights [Derechos Especiales de Giro -- DEG] to the equivalent of some $150 billion over a period of 5 years to support the processes of debt readjustment, recovery, and development.

Regarding the OID, the proposal suggests that it should operate in coordination with the World Bank and the regional development banks, and that its characteristics should reflect the development needs of each of the debtor countries. It also proposes that as far as official aid to developing nations is concerned, the creditor countries should increase to 0.7 percent the Gross Domestic Product and adopt measures to encourage greater investments and the transfer of technology.

Brandt Reelected President

LD230751 Hamburg DPA in German 0008 GMT 23 Jun 86

[Text] Lima, 23 Jun (DPA) -- Willy Brandt, chairman of the SPD, was unanimously elected president for another 3 years by the SI meeting in Lima on Sunday. Brandt has been leading the International, to which 60 Social Democratic and Socialist parties belong, since 1976.

The SI congress, which is convening until today in the Peruvian capital, also confirmed Pentti Varnanen (Finland) in his office as secretary general.

Venezuela's Perez Comments

PY201615 Lima Panamericana Television in Spanish 0300 GMT 20 Jun 86

[Excerpts] Former Venezuelan President Carlos Andres Perez has condemned violence and expressed his complete support for Alan Garcia's government. Carlos Andres Perez will participate in the SI Congress which starts on 20 June.

[Begin recording] [Unidentified reporter] How are you? What do you think are the most important issues that will be discussed in this world congress?

[Perez] The SI World Congress to be held in Lima is an important international event.

The most important issue will, of course, be the problems pertaining to the present international economic situation and the foreign debt problem that is affecting all countries in general, and Third World countries in particular. Other important issues will be terrorism, violence, the efforts to achieve an understanding between the superpowers, and the elimination of the use of nuclear energy as a tool to destroy the human race, and in wars.

All these issues will be discussed during this conference, but we will also discuss the specific problems that are affecting Latin America: the democratization of the Southern Cone; the struggle against the dictatorships of [Chilean President Augusto] Pinochet and [Paraguayan President Alfredo] Stroessner. We will also discuss the achievement of a negotiated solution to the Central American conflict.

All of these issues will be discussed in this conference.

[Reporter] What is your view on the foreign debt?

[Perez] Well, I fully support the position upheld by the great Peruvian president, my friend Alan Garcia. Furthermore, I believe that Latin America will follow his path. We should only pay on the basis of the value of our exports. But we should take this further. We should rationalize our debt with our foreign trade and achieve stable and fair interest rates. Moreover, we should not let the payment of the foreign debt undermine our right to achieve the development and well-being of our countries.

[Reporter] What is your opinion on terrorist violence?

[Perez] Our presence here in Peru is an expression of solidarity with Peruvian democracy. Terrorism is bad no matter its origin. Whether it is practiced by the extreme right or by the extreme left. Terrorism is not just justifiable in any kind of struggle to achieve the freedom of a nation.

We hope that peace and harmony will prevail in Peru very soon and that this will form the framework in which this extraordinary democratic experience, headed by President Alan Garcia, will prosper. [end recording]

Leaders Condemn Violence

PY201614 Lima Radio del Pacifico in Spanish 1300 GMT 20 Jun 86

[Text] Guatemala has condemned the violence in Peru and deemed it entirely incomprehensible because the whole world knows of the great efforts that President Garcia is making to get his people out of their difficult economic situation. This statement was made by Mario Solorano Martinez, secretary general of the Guatemalan Socialist Party, who pointed out that when a country has a president such as Alan Garcia who always struggles to overcome difficult situations, then there is no justification for violence.

Meanwhile, former Venezuelan President Carlos Andres Perez had condemned the wave of violence affecting the Latin American peoples, who have always fought to establish democracy. Perez said that there is no justification for the wave of violence being experienced in Peru, particularly now that the destiny of its people is in the hands of a young Latin American leader who, in only a few months in office, has achieved profound changes in the Peruvian society, by favoring the poor.

Resolution on Central America

PY231942 Madrid EFE in Spanish 0337 GMT 23 Jun 86

[Text] Lima, 22 Jun (EFE) -- In a resolution on Latin America and the Caribbean which was approved tonight, the 17th SI Congress rejected the Reagan administration's policy towards Nicaragua because it increases the possibility of a widespread military conflict in the area. "Regarding Nicaragua," the SI resolution states, "we reject the Reagan administration's policy of destabilization, economic blockade, and military aid to the irregular forces that have been operating in that independent, sovereign nation." The SI parties demand that the U.S. Government give "constructive solutions that would be instrumental in restoring peace."

The SI resolution states that all peace efforts should be based on proposals made by Latin American foreign ministers. These proposals include the suspension of foreign aid to all irregular forces and subversive groups operating in the area and a freeze on arms purchases. The SI also advocates the suspension of international military exercises, the withdrawal of foreign military advisers and facilities, the signing of a nonaggressive pact among the five Central American countries, and effective steps to fully implement human rights and individual liberties.

Regarding Nicaragua, the SI states that "the Sandinist Revolution has not yet fulfilled its objectives of achieving nonalignment, pluralism, and a mixed economy." The SI resolution adds: "The SI has supported and will continue to support these objectives. We will also continue to contribute to achieving a peaceful solution in Nicaragua."

Regarding El Salvador, the SI states that "the U.S. Government should not insist on inserting the Salvadoran conflict within the East-West confrontation." The SI voices its hope that the recent peoposals for dialogue between the government and te FDR-FMLN guerrilla group will result in sound talks that would end the armed conflicts and their tragic consequencces.

The SI conveys its support for the Guillermo Ungo-led National Revolutionary Movement, which is affiliated with the SI. The SI states that "the Salvadoran people and the international community insist that human rights and political liberties be fully respected in that country."

The SI also charges the U.S. Administration with using Honduran territory as a base for military actions in Central America. This fact not only undermines Honduran sovereignty but is a factor in spreading the regional conflict.

The SI expresses satisfaction for the opening of a democratization process in Guatemala and supports the efforts of those Guatemalan democratic organizations that are directing this process.

Regarding Costa Rica, the SI has stated that the policy announced by President Oscar Arias, which reaffirms Costa Rican neutrality and its desire to promote peace, "has decisively contributed to strengthening democracy and to promoting an atmosphere conducive to solving the Central American crisis."

Regimes Criticized

PY231511 Madrid EFE in Spanish 0341 GMT 23 Jun 86

[Text] Lima, 22 Jun (EFE) -- The SI reaffirmed today its solidarity with the struggle of the Chilean and Paraguayan democratic forces to end their respective regimes and decided to send and to collect information."

In a resolution on Latin America and the Caribbean which was approved to night, the SI stated that "the end of the oldest dictatorship in the continent is in sight." The SI adds: "The efforts of the Paraguayan people, of the popular sectors, and the civic actions of democratic parties are paving the way for the country's liberation."

Regarding Chile, the SI resolution states that "Pinochet's dictatorship has repressed with increasing violence the peaceful mobilization of the Chilean people who are demanding, with increasing force, that democracy be restored."

The SI conveys its full solidarity with the Chilean Radical Party and with all of the Chilean democratic forces "in their struggle to regain political liberties and to end human rights violations."

Program for World Crisis

PY240007 Paris AFP in Spanish 1201 GMT 23 Jun 86

[Text] Lima, 23 Jun (AFP) -- The SI today adopted a program of action against the world economic crisis that proposes the cancellation and restructuring of Third World debts and the reorganization of the international financial and monetary systems that is much more ambitious than the Baker Plan. The SI Committee for Economic Policy stated that although curbing inflation is still an important objective, what is paralyzing the world economy is mutual deflation instead of inflation.

The program of the 17th SI Congress, which concludes today in Lima, also supports a proposal by French President Francois Mitterand for a new conference in Bretton-Woods and is against the deflationary policies of the IMF. In addition, the program demands the reform of the IMF and the World Bank. The SI program argues that this reform is necessary not only because these two organizations oppose the possibility of improving the well-being of the South, but also because they restrict the possibilities of reducing expenditures and boosting trade between the developed and developing nations. The program reviews and expands the previous proposals made by reelected SI President Willy Brandt regarding the prospects for a new international economic order, with clearer rules of the game between the North and South, and is based on three imperatives: linking the economic recovery with the reorganization of trade, the world economy, and the redistribution of world resources.

To cut down expenditures and increase trade, the SI admits that the main problem narrows down to the fact that there should be a number of governments with the necessary confidence to act jointly in a self-sustained process of mutual expansion. The program adds that the world objective is to gather $100 billion yearly for a recovery program. It points out that this is only one-tenth of what the world spends each year on weapons. This objective reportedly will be implemented for a decade to promote the mutual expansion of imports between North and South, to promote growth and employment in the developed nations, and to guarantee that Third World countries can endure development deficits. It foresees that these development deficits must allow Third World countries to maintain their import capability, to develop their productive capacity and increase employment, and at least to maintain an adequate level of social services. For the weakest and poorest nations it proposes an emergency $10-billion program of additional yearly assistance during the next decade to help these nations participate in the economic recovery without having to be submitted to the recession imposed on them over the past few years.

Regarding the debt crisis, the Social Democrats reject the possibility of reviewing each case separately and call for an international conference betwen debtor and creditor countries to discuss the following topics:

-- Canceling most of the debts of the least developed nations, especially those affected by drought in Sub-Saharan Africa.

-- Flexibly reorganizing the debt payments schedule to the extent that no country will be forced to pay more than 20 percent of its export revenues over the long term to service current debts.

-- The establishment of an agreed-upon ceiling for interest rates.

-- The creation of the necessary financial instruments so that the banks, together with creditor and debtor countries, may establish international aid to reduce the debt.

On proposing the reform of the international financial monetary systems, the document includes the IMF and the World Bank, stating that they should finance over the long term the development deficits of Third World nations; that they should create a similar process of readjustment for the balance of payments, distributing the burden between those having surpluses and deficits; and that they should represent in a just manner the countries of the West, East, and South.

It also prposes linking international liquidity to the capacity for world development, increasing the Special Drawing Rights to $150 billion every 5 years, promoting more stable exchange systems, and basing world liquidity on a monetary system of international rerserves that cannot be decisively influenced by a single country. A world trade reform should prevent discrimination; allow more participation by Third World countries in trade benefits; give them access to markets in the North; include multilateral protection agreements; and support an institutionalized mechanism that will stabilize prices of raw materials.

Regarding development and structural aid, the document demands, among other things, that 0.7 percent of the world powers' GDP be allocated to Third World countries in 1990; that the code of conduct proposed by the United Nations for transnational companies by implemented, and that 5 percent of the amount saved by disarmament by earmarked for a war againste poverty, hunger, and disease.

The Socialists of the five continents who are participating in the Lima conference have promised to exert influence in their countries, as government officials and as political parties, to promote the acceptance of these proposals.

Falkland Negotiations Urged

PY231353 Madrid EFE in Spanish 0359 GMT 23 Jun 86

[Text] Lima, 22 Jun (EFE) -- The 17th SI Congress today urged Great Britain to "immediately" initiate negotiations with Argentina on the future of the Malvinas Islands. In a resolution on Latin America and the Caribbean that was approved tonight, the SI emphasized the sovereignty issue. It cited a joint statement signed in September 1985 in Paris by President Raul Alfonsin and UK Labor Leader Neil Kinnock, which reflected "a spirit of opening," as a guideline to be followed in these negotiations.

Junblatt Reelected Vice President

NC231713 (Clandestine) Voice of the Mountain in Arabic to Lebanon 1630 GMT 23 Jun 86

[Excerpts] In Lima, Peru, the 17th SI Congress has reelected Walid Junblatt as vice president. The Progressive Socialist Party was represented at the congress by party Central Committee member Duraydiyah.

Brandt Closes Congress

PY240314 Madrid EFE in Spanish 0155 GMT 24 Jun 86

[Text] Lima, 23 Jun (EFE) -- Socialist International [SI] President Willy Brandt today said that the SI "is not an organization that gives marks for good or bad behavior." He also expressed his satisfaction over the commitment that President Alan Garcia has made to conduct investigations into possible excesses committed during the repression of the prison riots.

Brandt said that the Peruvian president promised that independent persons will be involved in these investigations and that "the doors will be open to foreigners from friendly countries" who wish to come and inform themselves. He added that "everything beyond this is not within our competence."

Brandt asserted that "it would be very arrogant on my part, for me as a European, to act as a censor or as a judge. Who am I, who comes from a country that only 40 years ago experienced a dictatorship, although everyone knows that I was not a Hitler sympathizer, to adopt an attitude of this nature?"

The topics discussed during the press conference held at the closure of the SI Congress mainly centered on the recent jail riots and in particular on the nature of the investigations to be carried out. The president of the SI Congress noted that they witnessed dramatic events, because "no one could be left out of this challenge that the Peruvian democracy is confronting."

APRA [American Revolutionary Popular Alliance] Secretary General Armando Villanueva, who was also present at the conference, confirmed press reports indicating that the bodies of the victims are being buried for "biological reasons." But he assured that all of the relatives are being notified and that there is the possibility of exhuming the bodies. He added that "investigations will be conducted into every case and will last until everthing is completed." Answering journalists, Villanueva insisted that these investigations will be independent and that they will be carried out in the three jails, as has been guaranteed by President Garcia. The official number of dead is still 159, but unofficial reports estimate that the victims total 300.

Regarding the notable absences from the congress, the first being held in Latin America, Willy Brandt noted that "they should not be granted much importance." Brandt said that Swedish Prime Minister Ingvar Carlsson could not attend the congress because of Swedish public opinion. Brandt said: "They have just lost a leader" -- alluding to Olof Palme -- and they are asking his successor to stay at home for a while." Commenting on the Norwegian prime minister, Brandt said that she had to urgently return to her country from Caracas, "because her government had to adopt an urgent decision." But Willy Brandt did not allude to the absences of Israeli Prime Minister Shimon Peres, and particularly that of Italy's Bettino Craxi, who cancelled his trip to Peru the day after the prison riots were reported.

Brandt asserted that "there should be no surprise about the fact that the SI Congress ended its negotiations last night. This happened because the sessions lasted 2 extra hours, and this morning we decided to hold bilateral talks." As for the document regarding Latin America in which the SI requests foreign forces cease their support for irregular forces and subversive elements, Guillermo Ungo himself noted that the term "subversive elements" does not refer to the FMLN. Ungo said that "during the debate and the speeches, the difference between he FMLN, because of its nature as a national movement and the contras as mercenaries, was made perfectly clear."

Brandt referred to the final resolutions issued by the SI conference, which are included in the Lima Manifesto, and added that the main issue of the discussions "was and will continue to be the foreign debt crisis." He also referred to the chapter regarding disarmament, but he admitted that to request that 10 percent of the funds spent on arms be dedicated to development "is a lofty goal, but it will not become a reality in the near future."

Willy Brandt also thanked the Peruvian Government and the APRA for their warm welcome and expressed his best wishes for the future of Peru's democracy. The SI president said that "it was a memorable visit."

SI Members on Contadora

PY231549 Paris AFP Spanish 0100 GMT 23 Jun 86

[Text] Lima, 22 Jun (AFP) -- Carlos Andres Perez, vice president of the SI, stated today in Lima that the intransigent position of Nicaragua and the United States, as well as the subordinated condition of some Central Amerian governments, are obstructing the signing of the Contadora Act, which aims to solve the crisis in that regin.

Perez, the former Venezuelan president, stated before the 17th SI Congress that Nicaragua has a responsiblity to the Latin American countries. He added that Nicaragua should not jeopardize the Latin American democratization process with its intransigent position. Perez believes that Nicaragua has the obligation to support and sign the Contadora Act by having confidence in the mediation being conducted by the Contadora Group and the Contadora Support Group. Perez also stated that the SI is concerned because the Sandinist revolution projects of political pluralism, mixed economy and nonalignment unfortunately have not yet been fulfilled.

The Central American crisis was extensively debated in the SI congress after Bayardo Arce, the FSLN, representative said that, in honor of peace in Central America, Nicaragua was willing to give an inventory of its entire war materiel including military personnel and advisers in order to discuss their limitation, reduction or abolition. Arce stated that the Nicaraguan proposal is serious. He demanded international pressure on the U.S. Government to establish dialogue and create border commissions.

Former U.S. Ambassador to El Salvador Robert White, who also participated in the debate, pointed out that the Reagan administration will not be satisfied until the Nicaraguan Government is overthrown, and this is why it supports the contras. White, who was ambassador under the Richard Nixon administration and is a member of the SI U.S.-Central American Committee, also stated that the U.S. congress does not support President Reagan's proposal becuase it has been proven that there is serious corruption in the aid to the contras.

Panamanian delegate Carlos Ozores demanded the direct SI participation in the negotiations to pacify Central America.

Chilean representative Anselmo indicated that if the Contadora Group fails in its mission in because the U.S. Government is manipulating the process.

Sule added that Lain America must seek its own solutions. He warned that there will be no peace, no justice and no respect for hyman rights if the right for the free determination of people and the principle of nonintervention are not defended.

PRESIDENT GARCIA: PERU WILL NOT BE MILITARIZED

PY232324 Paris AFP in Spanish 2243 GMT 23 Jun 86

[Text] Lima, 23 Jun (AFP) -- President Alan Garcia asserted in Lima today that he will guarantee with his own life that Peru will not be militarized, as has been predicted by some sectors as a consequence of the riots stirred up by prisoners charged with terrorist activities and their repression by the military forces which resulted in hundreds of dead. Upon receiving FRG politician Willy Brandt at Government House today, Garcia asserted that democracy prevails in Peru and that he will take the necessary measures to prevent democracy from yielding to fascism and dictatorship.

Regarding the riots in the Lima prisons during which many persons were killed by mistake, Garcia stated that democracy must have the authority to keep it from slipping into authoritarism. He added that if mistakes are made and abuses committed in a democratic government, democracy knows how to punish and rectify them. Garcia assured the people of the world that there is no, nor will there be a Bordaberrization [referring to Uruguayan President Bordaberry's pact with the Armed Forces] nor will Peru be militarized, because the Armed Forces in our country obey the legitimately established power.

Garcia asserted: I guarantee this with the strength of the people and my own life. The democratic power in Peru has not and will not be subordinated to any other force than that elected by the people. The Social Democratic president also said that when democracy is defended firmly, this does not mean that this is being done to protect privileges or to defend injustice.

Meanwhile, Navy Minister Julio Pacheco has reported that the bodies of six rioters were found in the rubble of the El Fronton Prison, thus bringing to 36 the number of persons killed at the prison island. He added that the last bodies that were found have been buried in several cemeteries and that their relatives have been notified. He said: "I have also been informed that the dead at the Luringancho Prison have been buried."

Pacheco said that although the incidents at the El Fronton Prison, which were repressed by the infantry, are not included in the investigation on alleged human right violations that has been ordered by President Garcia, the Navy is willing to subject itself to this investigation. Admiral Pacheco said that he believes that the Maoist Shining Path will not change its actions or guidelines because of the prison riots. He said that Garcia's statement that Peru will not be militarized confirms the fact that the Peruvian Armed Forces have alsway subordinated themselves to the authority of the government.

In addition, Interior Minister Abel Salinas has said that the possibility that more bodies will be found at the El Fronton Prison has not been ruled out.

PRESIDENT SANGUINETTI RETURNS FROM U.S.

PY212138 Madrid EFE in Spanish 2016 GMT 21 Jun 86

[Text] Montevideo, 21 Jun (EFE) -- Uruguayan President Julio Maria Sanguinetti returned today to Montevideo after making a 5-day official visit to the United States where he met with President Ronald Reagan.

At the Carrasco International Airport Sanguinetti resumed the Presidency, which was held by Vice President Enrique Tarigo during his absence.

While in the United States, Sanguinetti held meetings with U.S. political and economic officials. He criticized the U.S. and EEC protectionist policies because "they obstruct the growth of Latin American countries." In Washington and New York, Sanguinetti met with officials of the World Bank, IMF, and IDB. In the United States the Uruguayan delegation reached an agreement with private banks to refinance $2 billion, which is over 20 percent of the Uruguayan foreign debt.

Sanguinetti's Visit Assessed

PY232032 Paris AFP in Spanish 0422 GMT 23 Jun 86

[Text] Montevideo, 22 Jun (AFP) -- Local political observers said today that during his 5-day visit to the United States, President Julio Sanguinetti succeeded in making Washington adopt a more flexible policy toward Uruguayan exports. Sanguinetti returned to Montevideo on 21 June. In the United States he met with U.S. counterpart, Ronald Reagan and other senior U.S. and financial officials.

The visit, which Sanguinetti himself described as eminently political and which centered on the economic protectionism practiced by developed countries, was designed to obtain more advantageous conditions for Uruguayan products in the face of the commercial war between the United States and Europe, observers said. Before departing for the United States, Sanguinetti said that the United States is more receptive to the proposals of the developing countries than to those of the EEC.

At the end of the visit, Economy and Finance Minister Ricardo Zerbino said the U.S. Government has assigned a permanent quota for imports of Uruguayan cheese and has removed surcharges on manufactured leather products. These measures will benefit Uruguayan producers. He added that the U.S. Government also agreed to study new mechanisms concerning Uruguayan textile products.

President Sanguinetti said that although the position stated by the Uruguayan delegation in Washington and New York will not change the commercial criteria prevailing in the United States, it will contribute to promoting an awareness about the need for the United States to give the support it has promised to other democratic countries. This means, Sanguinetti said, that we should be given a chance to achieve economic growth and social stability in our country.

Regarding the Central American conflict, Sanguinetti said he is against a military solution. According to political sources, Sanguinetti discussed this issue in private meetings. In a statement he made on his return flight to Uruguay, Sanguinetti said there are now new prospects for negotiations in Central America.

Sanguinetti also reiterated his support for the peace efforts of the Contadora Group and reaffirmed his endorsement of the Caraballeda Declaration. Uruguay, Brazil, Argentina, and Peru are members of the Contadora Support Group.

PIT-CNT 17 JUNE GENERAL STRIKE EVALUATED

PY190347 Madrid EFE in Spanish 1427 GMT 18 Jun 86

[Text] Montevideo, 18 Jun (EFE) -- Two people were injured and nine buses damaged during a 24-hour general strike, the third in Uruguay since democracy was reinstated 15 months ago. The strike was called by the main labor union, the Inter-Union Workers Plenum (PIT-CNT). This organization rejected the acts of violence. The union leaders are demanding a 34-percent salary increase and the solution to the conflicts in various unions. The PIT-CNT also rejects the government's economic policies and the recent measures limiting the right to strike.

Interim Labor Minister Renan Rodriguez stated that the paralyzation was 50 percent effective and that the strike "does not benefit the workers."

Oscar Groba, a member of the PIT-CNT Executive Board, stated that the strike was "important" and that "the goals established by the union leadership were fulfilled." Groba rejected the acts of violence saying that "the union militants have nothing to do with violence."

The largest bus company in Montevideo, which operated with 60 percent of its buses, reported that nine buses were attacked with stones and tar bombs. The company's director said that a driver and a woman passenger were injured when they were hit by stones.

The strike was partial in the state offices and total in banks and schools. Newspapers were not published, and the port and airport were closed. Most businesses were open, and union guards were posted in hospitals and clinics.

The International Transmission Labor Union decided to transmit the World Cup and not the official visit of President Julio Maria Sanguinetti to the United States and his meeting with Ronald Reagan. Sanguinetti himself said just before leaving for his trip that the government is not going to negotiate with the union leaders as long as the strike is in force.

BRIEFS

NEW AGRICULTURE UNDER SECRETARY -- Accountant Ricardo Lombardo has been installed as under secretary of the Ministry of Agriculture and Fishing. [Summary] [Montevideo EL DIA in Spanish 11 Jun 86 p 1 PY]

OFFICALS PREPARE FOR NEXT OPEC MEETING

PA210343 Caracas Television Service in Spanish 0000 GMT 21 Jun 86

[Text] Venezuela, with very sincere optimism, is preparing for a new OPEC meeting scheduled to take place in Vienna in the near future. Very intense efforts are being made, and already there is a consensus regarding the position the country should adopt at the international meeting in question.

Even when there are difficult problems, very difficult problems, at this meeting Venezuela will seek the stabilization of the market. To do this, it will estabish a clear and coherent position that sums up the feeling of all the technical and political sectors in the country. This position can be summed up as follows:

1. That the production ceiling established should be the result of the global agreement.

2. That it must protect the interests of all the member-countries.

3. That it must give the international market credibility.

4. That the different nations must be able to fulfill the points established here.

The Venezuelan position was widely discussed today at the Advisory Commitssion meeting, and former Ministers Hugo Perez La Salvia and Humberto Calderon Berti, as well as former Petroven President General (Rafael Alfonso Rovar) were present.

Energy Minister Hernandez Grisanti began by admitting that the OPEC meeting should overcome internal and external problems. For this a united, realistic, and credible front should be formed regarding quotas and production. Another important issue to be discussed at the OPEC is the effort to attain agreements with the producing countries that are not members of the organization. Mexico, in general terms, has agreed with the organization's policies, but important agreements with the UK and Norway, for example, are still pending. Therefore, Norwegian Prime Minister Gro Harlem Brundtland's visit yesterday is a stop forward in this sense.

[Begin Hernandez Grisanti recording] It is necessary for OPEC to arrive at an agreement on the level of production and distribution of quotas that is realistic and that will give credibility to the oil market and the non-opec oil-producing countries. [end recording]

The Advisory Commission's meeting today was held on a note of sincere understanding. Former Energy Minister Humberto Calderon Berti feels that this understanding should always prevail because it is not a strictly political problem and it involves the country's economic future. He said that the perspectives of the next OPEC meeting are not altogether clear. However, what is most important, from his point of view, is a return to the agreements made last December.

[Begin Calderon Berti recording] This meeting is evidence of the fact that when we are willing to put aside useless discussions and work in favor of national interests we can do it in a civilized manner, in which each of us can maintain our positions -- be it the government or the opposition -- but within a sphere of dignity and understanding. [end recording]

The stabilization of prices will also be a vital issue at the meeting. In figures, the organization has a global production of 18 million barrels daily. The international price fluctuates between $12 and $15 per barrel. In Venezuela's case, production is 1,500,000 barrels daily at an average price of $13.50 if we add the exportation of by-products. Perspectives for next year are aimed at Venezuela's producing 1,460,000 barrels daily, at an estimated price of $15 per barrel. This means that our average income is estimated at 8 billion bolivares. It is based upon these figures that the national budget bill has been designed. In any case, all of the efforts made are important to achieve the long awaited global agreement that will prevent ups and downs on the oil market, because in Venezuela's case oil is not only the leading export product, but the basis of our economy.

Doctor Hugo Perez La Salvia, former energy and mines minister said the following:

[Begin Perez La Salvia recording] Of course, hard-line and soft positions can be expected at this OPEC meeting. Venezuela will plan a very important role, a sort of mediator between the two positions, to achieve agreement on quotas and production. [end recording]

BRAZIL BEGINS DELIVERY OF TUCANO MILITARY PLANES

PA210318 Caracas EL UNIVERSAL in Spanish 13 Jun 86 p 1-1

[Text] Sao Paulo, 12 Jun (ANSA) -- In a brief ceremony held this morning at Sao Jose Dos Campos (Sao Paulo), the Brazilian Aeronautics Company began delivery of the 30 Tucano military training planes sold to the Venezuelan Air Force early this year.

[Venezuela], the sixth country to but this kind of Brazilian-made plane, was represented at the ceremony by Air Force General Justo Evaristo Saavedra.

The contract is for $36 million and is expected to be fulfilled by early 1987, having been signed after stiff opposition from the Venezuelan Congress and the competition on the international market of the Swiss-made Pilatus plane was overcome.

POLITICAL PARTIES PROTEST U.S. MILITARY AT BORDER

FL211854 Mexico City NOTIMEX in Spanish 0448 GMT 21 Jun 86

[Text] Ciudad Juarez, 20 Jun (NOTIMEX) -- The U.S. Government's decision to install military camps along the Mexican border to combat drug trafficking and illegal aliens will increase tensions between the two governments.

Representatives from political parties in this city condemned the militarization of the border and said this attitude is a clear act of aggression against Mexico.

Local PRI Assistant Secretary General Oscar Gutierrez said that the United States has the right to protect its territory, nevertheless, the intervention of the Army will increase repression against migrant workers.

Helier Flores, spokesman for the National Action Party (PAN), said this action calls for the Foreign Secretariat's intervention to learn the details of the Reagan Administration's decision to establish military camps at the border.

Leftist leaders in Juarez said repression against illegal aliens is intensifying and the Mexican authorities should call on the United States for an explanation so that the situation does not worsen.

The PRI and opposition Political leaders agreed that drug consumption in the United States is increasing in alarming proportions and it is up to the U.S. Government to combat the problem domestically and not blame other nations for this phenomenon.

They acknowledged that the Mexican Government is carrying out a permanent campaign against drug trafficking and there is no reason for the United States to attack Mexico by establishing military camps.

In reference to the problem of migrant workers, PRI representative Rosa Maria Gonzalez said the measure is disagreeable because when it is convenient for them, the United States opens the border to exploit the Mexican workers. Nevertheless, she continued, after they have mercilessly exploited the workers, they not only discriminate against them, but their own employers report them to the Immigration Service.

64 PERCENT OF EXPORT INCOME USED TO PAY INTEREST

FL202050 Mexico City NOTIMEX in Spanish 1900 GMT 20 Jun 86

[Text] Mexico City, 20 Jun (NOTIMEX) -- The Bank of Mexico has reported that, during the first 3 months of 1986, Mexico used 64 percent of the value of its exports to pay the interest on the foreign debt.

He said that because of the drop in international oil prices, foreign exchange income from oil sales dropped, which reduced Mexico's trade balance by 80 percent in comparison with the same period in 1985. He explained that, in the first quarter of 1986, Mexico's foreign trade balance was favorable by $868.5 million, which is significantly less than in the same period of 1985, when it reached $2,484,400,000.

The Bank of Mexico said that Mexico will require $6 billion to meet its interest payments in 1986 but will have to spend about $600 million in additional interest payments in contracting for new credits.

He said the drop in Mexican foreign trade began in 1985 but worsened in the present year when income from oil exports dropped.

GOVERNMENT ASKS ITALY TO SUPPORT GATT SAFETY CLAUSE

FL191520 Mexico City NOTIMEX in Spanish 0235 GMT 19 Jun 86

[Excerpts] Rome, 18 Jun (NOTIMEX) -- The Mexican Government has asked Italy to support a safety clause for the agricultural and forestry sectors during its GATT negotiations.

Agriculture Secretary Eduardo Pesqueira Olea asked his Italian counterpart Filippo Pandolfi for Italy's support of a GATT amendment stipulating a safeguard for the sector which represents a fundamental basis for the socioeconomic balance and national policy.

Finally, it was announced that the Foreign Secretariat will promote a second meeting of the joint Mexican-Italian commission in September and October in the Federal District during which the SARH [secretariat of agriculture and water resources] will submit drafts of programs for training technicians, coinvestment, and development of agricultural products.

IRAQI EMBASSY TO CLOSE DOWN BY 30 JUNE

FL232324 Mexico City NOTIMEX in Spanish 2118 GMT 23 Jun 86

[Text] Mexico City, 23 Jun (NOTIMEX) -- It was reported here today that the Iraqi Embassy in Mexico will close its doors by the end of June, and its diplomats will be sent to other parts of the world.

This action is recriprocal because Mexico has decided to close its representation in Baghdad in accordance with the austerity policy presented by the current administration reducing the number of foreign representatives.

Iraqi Ambassador Abdul Karim al-Tai [as received] has been in Mexico settling pending affairs even though the decision to close the diplomatic headquarters was received from Baghdad more than a month ago.

The embassy building still flies the Iraqi flag, and officials are still there, but visas are not being processed nor are Mexicans allowed to enter since no business can be carried out there.

It was confirmed that any matter related to Iraq should be forwarded to the Iraqi Embassy in Washington or Iraqi diplomatic headquarters in any West European nation.

PRI SUPPORTS PRESIDENT'S ECONOMIC POLICY

PA220330 Mexico City XEW Television Network in Spanish 1300 GMT 21 Jun 86

[Text] Yesterday the PRI issued a press communique declaring -- in regard to the recent replacement of the finance secretary -- that there must not be a lack of solidarity within President Miguel de la Madrid's Cabinet.

The PRI maintains that in response to the challenges the nation is facing, the president has made clear and firm decisions from the very beginning of his constitutional mandate.

The PRI also pints out that Mexico's economic policy has been realistic and consistent. It underlines that there is no room for hesitation toward the president's decisions.

The PRI communique said that the difficult situation Mexico is facing and the defense of the people's interests demand disipline and loyalty from the president's collaborators. To conclude, the PRI says that this is not the time to protest our personal image, but to fulfill our duties toward Mexico.

PEMEX DENIES LARGE-SCALE LAYOFF OF WORKERS

FL211834 Mexico City NOTIMEX in Spanish 0449 GMT 21 Jun 86

[Excerpt] Mexico City, 21 Jun (NOTIMEX) -- PEMEX personnel director Pedro Cabrera has denied that 25,000 workers and trade union members will be laid off from the state company. That would simply be impossible, he said.

The Pemex official was interviewed at the conclusion of the third meeting between Pemex authorities and leaders from the Revolutionary Trade Union of Mexican Oil Workers (Srtprm). The Mexico City labor and social security secretary also attended the meeting.

Depending on Pemex's work programs, said Cabrera, there could be personal cutbacks totalling 1,000 or 1,500 workers but not a large-scale cutback.

BRIEFS

COCAINE CONFISCATED -- In Puerto Penasco, Sonora, agents of the Mexican attorney general's office confiscated 420 kg of cocaine at noon with an estimated value of more than 100 billion pesos. This load is the largest confiscated so far this year [Summary] [Mexico City XHDF Television Service in Spanish 0300 GMT 21 Jun 86 PA]

NEW SUPREME COURT JUSTICE -- Justice Manuel Villagorda Lozana Tuesday took his seat in the Supreme court of Justice, replacing Jorge Inarritu y Ramirez de Aguilar, who recently retired as head of the court. [Excerpt] [Mexico City THE NEWS in English 18 Jun 86 p 6 PA]

U.S. HOUSE HOLDS HEARINGS ON DRUG TRAFFIC

PA202249 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Jun 86 pp A 1, A 12

[Text] Washington, D.C. -- The House of Representatives' Select Committee on Narcotics Abuse and Control met yesterday to hold a hearing on Panama. James H. Michel, the principal deputy assistant secretary of the Bureau of Inter-American Affairs of the State Department; Jerrold Mark Dion, deputy assistant secretary for international narcotics matters of the State Department; David D. Queen, deputy assistant secretary of the Treasury Department; and Thomas V. Cash, deputy administrative assistant of the Drug Enforcement Administration's (DEA) Operations Division appeared as witnesses.

The House hearing began with a meeting behind closed doors to hear a report from the CIA and the Defense Intelligence Agency.

The hearing was convoked by committee chairman Charles B. Rangel to look into allegations regarding extensive involvement of General Manuel Antonio Noreiga, commander of Panama's Defense Forces, in drug trafficking and money laundering.

Rangel said that "drug use is a serious national crisis and an attack on our national security," and added that "we must look into the large drug production in other nations." "To attack Panama in an unprecedented way while we remain quiet about Peru, Bolivia, and Colombia, countries that are known drug producers and are the largest contributors to drug trafficking through Panama, is merely avoiding the real problem. [quotation marks as published]

The witnesses who appeared at the House hearing were questioned about Panama's role as a nation of drug transit and other activities, as well about the extent of the cooperation between the United States and Panama in the control and eradication of drugs. In addition, they were asked about the allegations that appeared in articies published by THE NEW YORK TIMES.

"I want to know," Rangel said, "what we plan to do about this situation and why we have chosen to focus the problem on Gen Noriega's activities."

Cash told the committee that progress has been made in the past few years in various aspects of the drug situation in Panama and said that he appreciated this opportunity to discuss this and other significant matters regarding drugs in Panama.

Cash made a brief recollection of the work done by DEA, an organization under the U.S. Justice Department, "which is responsible for the investigation and preparation" of trials against the biggest violators of substances controlled by law in the United States, and at the international level it works in coordination with a national intelligence system against drug trafficking with the cooperation of federal, state, and foreign officials.

During his participation, Thomas V. Cash described the country, saying that Panama, as the "crossroads of the world," has developed an economy based on international trade and marketing, centered on the Canal, particularly in the cities of Panama and Colon.

According to the U.S. official, these are the four aspects that have been considered regarding Panama's role in international drug trafficking:

1. The use of Panamanian banks for laundering money from drug traffickers' profits. Most of these traffickers are from third countries.

2. The use of Panama as a transit country by drug traffickers from South America to the United States.

3. The use of Panama as a transit country for materials for the processing of drugs, particularly ether, which is used in the production of cocaine.

4. The local cultivation of marijuana.

Mr Cash also said that in Panama "considerable resistance exists" to the elimination of banking secrecy laws, even when it comes to coping with money laundering from drug traffic.

Panama recently participated in the closing of a bank whose involvement in money laundering was confirmed: the First Inter-American Bank. Its principal shareholder, Gilberto Rodriguez Orjuela, a Colombian, and Jorge Ochoa [not further identified] are under detention in Spain.

Action was taken against the bank by Panamanian authorities who invoked Cabinet decree No 283 of 1970, according to which banks, their directors, officials, and employees "must maintain a good reputation for the integrity of their operations."

The First Inter-American Bank is under the control of the Panamanian Banking Commission. Cash said that this intervention "represents the most important action that Panamanian authorities have taken against money laundering."

Cash explained to the committee: In addition, Panama is a transfer site for chemical products for the production of drugs from the United States and Europe to South America. On several occasions during the past few years and at the request of the Drug Enforcement Agency (DEA), Panamanian authorities have seized and destroyed large shipments of chemical materials for the production of drugs. Recently two shipments totaling 40 tons of acetone were confiscated, thus demonstrating Panama's willingness to intercept such materials.

Cash indicated that Panama's climate and terrain provide an adequate environment for the cultivation of marijuana. The main location of such plantations is Isla de las Perlas in the Gulf of Panama.

In September 1985 the Panamanian Defense Forces, assisted by the U.S. Department of State's Bureau for International Narcotics Matters, initiated a comprehensive effort to eradicate marijuana plantations through spraying. As a result of this operation, 210 hectares planted with marijuana were destroyed in 5 days of spraying.

"The complete eradication of the marijuana planted is thought possible due to the relatively small size of the plantations."

"The Panamanian Government is aware that the country is increasingly becoming a center for the illegal drug traffic from South America and increasing money laundering from this drug traffic."

"The Panamanian Government wants to create an image of Panama as a safe, respectable place for international trade and investment. Because the drug traffic has marred this image, Panamanian officials strongly resist the drug traffic and are eager to cooperate in earnest with U.S. authorities to stop it."

DELVALLE OPTIMISTIC ABOUT ECONOMIC FUTURE

PA232129 Panama City LA REPUBLICA DOMINICAL in Spanish 22 Jun 86 p 16 A

[Speech by President Eric Arturo Delvalle at a B'nai B'rith Society dinner in his honor in Panama City on 16 June]

[Excerpts] Barely 1 year ago some compatriots felt that our country was heading toward a future riddled with uncertainties. We were faced with a difficult situation that was impossible to stall.

We have had to take corrective measures in an atmosphere of opposition to and misunderstanding of not only the government but also the very essence and raison d'etre of the institutions that constitute it. We have had to face all kinds of difficulties, not to mention ill will. However, fully aware of our responsibility and convinced that we are right, we took measures indispensible to obtain a reorganization of our economy and finances. We will see the results in the long term, placing us in a relatively advantageous position in the face of the unavoidable foreign competition.

Our government is concluding the current phase of negotiations on our foreign debt and beginning to implement a program of economic reforms, the effects of which will be felt in the long term. The new Industrial Law, adjustments to the Labor Code, and the new Agricultural and Livestock Law, which are currently in force, are aimed at improving our capabilities to act in the future, providing stability to the rules of the game and developing a spirit of competition. In this way, we increase our productivity and become better prepared to compete in international markets, the importance and necessity of which we would be reckless to eschew.

Fortunately, in the past year new conditions have arisen. We have taken advantage of them and will continue to do so even further.

In addition to fostering a positive outlook on our economy, thanks to the government's action we must mention four favorable factors that prompt us to feel optimistic regarding the short- and long-term future:

1. The major drop in the price of oil.

2. The three-point drop in interest rates in 1 year.

3. The recovery of certain export activities, such as the Panama Canal, the Colon Free Zone, and of expenditures by the U.S. Army in Panama.

4. The real possibility of developing assembly plants in our country, in view of the new regulation announced by the United States allowing exports outside quotas of clothing made in the Caribbean basin, so long as U.S. textiles are used.

In addition to other factors, the things I have just mentioned are elements and factors that are operating not to give a more favorable economic outlook for our country.

Therefore, as in the year that just ended, specific results can be seen. After 2 years of depression without any growth, in 1985 our GNP rose by 3.3 percent and the per capita national product rose by approximately 1.2 percent. This year, the behavior of the economy points to a similar tendency.

We must acknowledge that the banana company strike had a negative impact on the production and exportation of that fruit, and, therefore, on the agricultural and livestock sector as a whole.

However, in that same sector the exports of nontraditional products are offering promising possibilities. In the construction sector, there has been a reactivation, and this sector will continue to grow at least in the short- and medium-term.

We sincerely believe that Panama's economic outlook is reasonably positive and encouraging. However, to turn the outlook into something more than a wish or an economic projection, we must have and promote a climate of peace, tranquillity, and trust in ourselves and our democratic institutions, which are the only ways for true coexistence to prevail.

PRD COMMITTEE STATEMENT ON CURRENT SITUATION

PA230136 Panama City LA REPUBLICA in Spanish 20 Jun 86 p 2

[Manifesto issued by the Political Committee of the Democratic Revolutionary Party, PRD, to the country "in the face of coupist sedition;" no date given -- upper case passages as published]

[Text] The PRD has repeatedly denounced nationally and internationally that influential U.S. rightist sectors and conservative U.S. officials have engaged and still engage in activities of intense pressure, intrigue, threats, and political and economic destabilization tactics against Panama.

This situation is not new. On the contrary, it has a lengthy historic background. There have been actions against national interests ever since the beginning of this century. The situation became more vivid though at the beginning of the 1970's when the founder of our party, General Omar Torrijos Herrera, at the head of our armed institution and with the support of broad democratic, progressive, and professional sectors, divided to wage a just national liberation struggle to put an end to the shameful and humiliating U.S. colonial presence in the fatherland and to end it not only in the judicial, police, educational, and commercial aspects but also in the most important aspect, in the military aspect, thus bringing to an end the hegemonic and interventionist U.S. military presence in the domestic affairs of our country and the rest of the American continent.

The fact that the most important programs of social, cultural, and economic interest were carried out; that laws that have benefitted the national majorities have been approved; that there is an independent nonaligned and Third World-like foreign policy; and that an end was put to concepts that had turned our Armed Forces into an unofficial tool for continuously repressing the people to guarantee to the governing oligarchy that it would be able to enjoy its privileges and remain in power, this fact could yield to General Torrijos, to the high-ranking officers who accompanied him -- one of which was General Manuel Antonio Noriega -- and to the civilian political forces who accompanied them in this process of undeniable revolutionary changes, nothing but hatred and distrust from both the local politicians displaced from power and from their allies in their allies in the most reactionary and backward circles of U.S. society.

No Panamanian ignores the fact that only 14 years remain before the decolonization program established in the Torrijos-Carter Treaties is completed. Once this happens, there will be perfect sovereignty over the national territory; the country's main resource -- the interoceanic channel -- will be recovered, for the benefit of all the people; and important infrastructure elements for economic development will also be recovered. We do not ignore either that right now the Central American people are in a state of turmoil and have the will to wage a revolutionary struggle to secure national independence.

As a result of these two facts, some U.S. political sectors and officials including Senator Jesse Helms -- who is the one most openly committed -- are continuously promoting a policy that calls for noncompliance with the 1977 treaty and for all sorts of economic and political pressure that could lead to U.S. military permanence in Panama beyond the year 2000 to be able to continue using the U.S. military bases in our territory as centers for training and for intervening in the domestic affairs of the Latin American -- especially the Central American -- people.

The charges that a very small group of Panamanians and North Americans, who have neither moral nor political authority, have made, by means of a U.S. daily, against Gen Noriega represent an infamous slander of the type that was used against Gen Torrijos in the past. Our party is aware that this abusive campaign is aimed not only at discrediting the most important leader of the Panamanisn armed institution but also at the entire nation, including the government of His Excellency President Eric Arturo Delvalle. The campaign is also aimed at isolating our party and country from democratic leaders, governments, and political parties who traditionally have been allies of Panama because of the progressive national and international causes that our revolutionary process and the PRD have defended.

This is nothing but the invoice that imperialism has prepared because Panama defends a peaceful political way out of the Central American crisis and not the way sought by those who want military intervention, war, destruction and the spilling of blood.

The PRD has stated and reasserts that there is a pledge between certain national opposition political groups and a handful of frustrated and resentful persons who, without the slightest shame and with the most antipatriotic attitudes possible, have joined the U.S. sectors carrying out a slanderous campaign against Panama, General NORIEGA, and the Defense Forces; once their goal of taking over power is attained, they will agree to review the Torrijos-Carter Treaties to allow the United States to maintain its military presence in our national territory after 31 December 1999. That is not all. They have also pledged that Panama will abandon its participation in the Contadora Group and, consequently, instead of advocating a negotiated and peaceful solution in the Central American isthmus, it will seek an armed solution plus an intervention in Nicaragua and El Salvador. That is why they are now brazenly urging the midlevel officers in the Defense Forces to break their disciplined behavior and rebel against their commanding officers. They seemed to have forgotten the recent patriotic declaration of the 15th seminar of lieutenants, which warned about the attacks against the armed corps' current commander to politically and militarily discredit the institution that will have the responsibility of defending the canal in the year 2000.

Lately, the PRD warns that in these times of danger, all the popular, progressive, and democratic sectors that defend our independence, sovereignty, and peace must strengthen the initiative of forming a national front against sedition, treason, and warmongering violence.

The front must be comprised of national wills that pledge to carry out an independent political and economic development, which guarantees the decolonization process stated in the Torrijos-Carter Treaties. All the Panamanian patriots must understand that the current political confrontation cannot and should not take place between a reactionary sector of the U.S. society and top-ranking officers in our Defense Forces; instead, we must become an instrument which is capable of turning this confrontation -- which is nothing but the opportunistic verbal challenge of an individual or group -- into a struggle waged by our great national majorities to defend their dignity, independence, and liberation.

The PRD does not ignore the feelings that have grown up among the Panamanian youths and people -- given the pressures and economic, political, and military blackmail which is being exerted on the country; and given that international financial aid has not been received as pledged -- that we request that the Canal's installations and the territorial areas, which are still subject to limitations, should revert ahead of time in 1990. This viewpoint has gained support within our own party, and it was confirmed during the meeting where this declaration was drafted.

The PRD's commission urges all its members to strengthen their practical and ideological support, denouncing the seditious and conniving plan to every man and woman in the country, which is currently being carried out against the revolutionary process, the national government, Commander MANUEL ANTONIO NORIEGA, the Defense Forces, and our party. Also, it declares all its members on a state of alert and awaiting general mobilization that will be ordered by the PRD directorate in due time.

The sedition and the connivers WILL NOT PASS.

The unity between the people and its military forces is indestructible.

General MANUEL ANTONIO NORIEGA, the PRD does not surrender or let down its guard.

They will find us standing or dead, but never on our knees. OMAR TORRIJOIS: YOUR HAWKS ARE PRESENT HERE.

Issued in Panama City, on 18 June 1986.

PRD PRESIDENT SCORES OPPOSITION, DEFENDS NORIEGA

PA221819 Panama City LA REPUBLICA in Spanish 20 Jun 86 p 24

[Text] "Our country does not function to the beat of THE NEW YORK TIMES or to the rhythm of Senator Helms. This is not the Philippines. Here there are people used to fighting imperialism, who do not fear it and who do not kneel before it," Dr Romulo Escobar Bethancourt said yesterday in a forceful speech delivered during the Torrijist Consolidation Dinner at the Atlapa Convention Center.

Addressing an enthusiastic audience of some 2,000 people, Escobar Bethancourt, who is president of the Democratic Revolutionary Party [PRD], harshly criticized those "seeking to reach power to the beat of U.S. Infantry bugles," to which end they "walk on their knees and touch their foreheads to the ground because they are characterized by cowardice and weakness."

Escobar Bethancourt said that those opposition politicians are allied with the most reactionary elements of the U.S. political spectrum, which are also willing to do anything to "rid themselves of the obligation to remove their civilian and military personnel from our nation" in fulfillment of the Torrijos-Carter Treaties. He added that the same is being done with the Mexican Government because they want to force both governments to withdraw from the Contadora peace movement, which has been the only obstacle to an armed solution of the Central American conflict.

The PRD president also said that the ties between the Defense Forces and the PRD are both indissoluble and indestructible and that the integrity of that institution, like that of General Manuel Antonio Noriega, will be protected, not only by the members of the armed institute, but also by their civilian brothers, the members of the PRD, who are the heirs of the Torrijist ideals.

PRD ADMITTED AS 'CONSULTATIVE MEMBER' IN SI

PA201521 Panama City Televisora Nacional in Spanish 0000 GMT 20 Jun 86

[Text] The Democratic Revolutionary Party [PRD] was admitted as a consultative member in the Socialist International [SI] movement during that organization's 17th congress in Lima, Peru. The SI brings together 82 parties from around the world that follow the social democratic doctrine.

The PRD's admission into the SI came by acclaim before the congress, headed by German Nobel Laureate Willy Brandt, former FRG chancellor.

The Panamanian delegation to the congress, which is headed by Carlos Ozores, expressed satisfaction over the PRD's admission as a consultative member of the SI, observing that the move is a recognition of the Torrijist ideals and the PRD's path on the part of the most prestigious group of the international political community.

FORMER PRESIDENT ARIAS SUPPORTS 1984 VOTE RECOUNT

PA232156 Panama City LA PRENSA in Spanish 23 Jun 86 p 1-a

[By Franklin Bosquez D'Giovanni]

[Text] The leader of the Authentic Panamenist Party [PPA], Dr Arnulfo Arias Madrid, affirmed yesterday that as soon as his presidential victory is recognized once the votes issued in May 1984 are recounted, he will dismantle the repressive organization of the National Guard's [as published] G-2.

The three-time president of the Republic was interviewed in his Panama City home in the area of Carrasquilla, where he referred to the reports recently published by a U.S. newspaper, THE NEW YORK TIMES, in which several U.S. officials are cited as saying there was an "electoral fraud" in favor of the government's candidate that was sponsored by the Defense Forces of Panama (FDP), and specifically by its commander in chief, General Manuel Antonio Noriega.

Arias Madrid said that it is not strange that now, more than 2 years later, is when the U.S. press begins to refer to the fraud. "Conditions throughout the world, and even very close to us, are changing very rapidly, and naturally they (the Americans) are very worried about that.

The fact is that they are now convinced that the parties of the Democratic Opposition Alliance (ADO) have most of the votes and that it is impossible to accept that the elections were lost only because Gen Noriega so wanted it."

The politician, who is in his eighties, feels that the reports now appearing in the press of the United States and of other parts of the world are, in practice, a rejection to the military government of Panama. "I think this is absolutely true. I believe the military hierarchy's days are numbered. I brought up the issue of drugs 3 years ago in Colon, during the electoral campaign. Nobody listened to me then, and now you see the results: Drugs are spreading throughout the United States and the world."

The politician added: "The government is a species in full agony."

He disclosed that during the last few days he has been consulted "by many people," including from abroad, particularly from the United States.

Referring to the "triumph" of Dr Nicolas Ardito Barletta, whom the U.S. Government recognized 2 years ago, Arias Madrid said: "I suppose the White House and Mr George Shultz felt like installing that clown."

The president of the opposition -- which garnered most of the votes during the past elections -- said he is willing to make the last sacrifices of his life to place the country on a truly democratic path. He reiterated that if it is necessary "to place one's neck in the guillotine" for a better country, he "will gladly do so. And if they want me to talk to the devil, I will talk to the devil in order to improve this situation."

When asked if he would prefer that the 1989 elections be advanced rather than having the 1984 votes recounted to reach the Presidency of the Republic, Arias Madrid said that "I do not want to be there as a result of a coup d'etat; I want to prove to the entire world that I have the votes."

He added that he is in favor of recounting the votes that are still included in the documents of the results of the 1984 elections.

Concerning the economic situation, the three-time president of the Republic said that the formula for this situation is "difficult and easy." As soon as there is trust and security in a government, everyone is willing to help, except for "certain individuals who are, naturally, my opponents."

The leader, who is in his eighties, observed that "Panama is sufficiently rich to be able to pay our bill; and we are going to pay...we are not scoundrels. I do not know if we will be able to pay in 10 or 100 years, but we will pay." The politician also reported that he has already appointed a commission to study all points of views.

When asked about the power Gen Manuel Antonio Noriega still holds throughout the country, Arias Madrid answered that "nobody is strong in this world. God is the strongest, he is the one who determines what will happen. You see how the great powers crumble. He (Noriega) is already morally dead."

The charismatic politician said that within the national police, which he continues to call by this name because it does not have "enough morals" to have soldiers, there are "some good, honest, and serious people who want to work for the country."

Arias Madrid said that he told former U.S. Ambassador Everett Briggs that Panama does not need 15,000 policemen, because some 7,000 is all we need.

As soon as his electoral victory is recognized, one of the first actions Arias Madrid will take will be that of "dismantling" and "breaking up" the National Guard's G-2, which some call the state security and other describe as the "repressive apparatus" of the regime. "We must give the people confidence, because we are living in a sovereign country. The people have a right to speak, and the press has a right to report."

In concluding, LA PRENSA asked Arias Madrid when the change of regime would take place, and the Panamenist leader answered: "I am not God."

RADIO MUNDIAL OWNER ANNOUNCES RENEWED BROADCASTS

PA202231 Panama City LA PRENSA in Spanish 20 Jun 86 p 16-A

[By Lisette Carrasco]

[Text] Carlos Ivan Zuniga, Jr, owner of the Radio Mundial radio station, has told LA PRENSA that the station will start broadcasting on its AM frequency from its new studios in Pedregal on Monday.

Zuniga explained that in a note presented on 18 June to Rodolfo Chiari De Leon, minister of government and justice, he says that: "Until a request made to you, on the 18th [month not specified] to be assigned the frequency 88.1 MHZ is resolved, I wish to notify you that I have moved the Radio Mundial studios to Pedregal Corregimiento, where the transmitter operates at longitude 79 degrees, 26 minutes, and 04 seconds; and latitude 09 degrees, 03 minutes, 43 seconds."

The document states that "at this site we shall restart our radio broadcasts to comply with our advertising commitments as well as with legal requirements."

Radio Mundial's studios are located at No 12, 2d Street, 2d Avenue, Pedregal.

Carlos Ivan Zuniga said that these broadcasts will be made from Pedregal, following instructions from the Communications Media Directorate to the effect that the owners of this broadcast station could transmit on the AM frequency 810 KHZ.

Zuniga added that in this way, Radio Mundial has complied with the law by announcing the change of studios to Pedregal, in line with the [ministry's] resolution.

The community is waiting expectantly to see the ministry's reaction; that is, whether it will permit Radio Mundial's broadcasts, because the closure was due, according to the communications Media Directorate, to the fact that this radio station was broadcasting on an unassigned FM frequency.

Radio Mundial was closed on 22 May by order of the Government and Justice Ministry. The station had become the mouthpiece of opposition sectors, which are against the present government.

RADIO 10 IN HERRERA CLOSED BY MINISTRY

PA200345 Panama City LA PRENSA in Spanish 19 Jun 86 p 24 A

[By Rogelio Herrera and Antonia Edith Gutierrez]

[Text] Yesterday at 7840 Mario Bermudez, telecommunications adviser of the Government and Justice Ministry, closed the operations of Radio 10, central area, in Guarare district, radio electric frequency 1,100 KHZ, with studios in the city of Chitre.

According to resolution 25 of April 1986, the technical advisers section of the Government and Justice Ministry performed a technical inspection of the radio station installations and confirmed that the broadcasts on frequency 1,100 KHZ AM has been suspended "beyond that allowed by the law." Further, it was transferred without the approval of this government office.

However, last night, when contacted by LA PRENSA on the closing of this radio station, Dr Carlos Ivan Zuniga said that according to reports from Chitre, the authorities had closed not only Radio 10 central area, which was operating on the 1,100 frequency, as authorized in the resolution; they also closed Radio 10, which was operating on the 103.0 FM frequency. The cancellation of the 103.0 FM frequency was not authorized in any ministry resolution. Zuniga said that the two stations were operating at the time they were closed.

Bermudez said: "We have come to suspend the use of the frequency 1,100 by Radio 10, central provinces, because it was off the air for a long time and never reported to the ministry the reasons why. The ministry, complying with the established Decree 155 proceeded to suspend the use of the frequency. It had not been used for more than 2 years: that is what caused the cancellation."

On 18 June 1986, Dr Carlos Ivan Zuniga, presented an appeal to this decision through a proxy because according to the Government and Justice Ministry the appellant does not have the legal representation of the concessionaire company, Bermudez said.

However, Zuniga said that the ministry has now presented Resolution No 28 of 25 April 1986 canceling the 1,100 frequency. However Mrs Garcia de Paredes [not further identified] was notified on 11 June 1986, of the strange resolution of 25 April and the ministry is aware that the rights being affected are those of Carlos Ivan Zuniga, Jr, who, under authorization of the ministry had been operating those radio stations under the firm name of Radio 10 Central Area.

That authorization had been approved by Minister Chiari on 2 August 1984 Resolution No 877, Minister Chiari continues with his political persecution policy, said Dr Carlos Ivan Zuniga.

REPRESENTATIVES REVIEW CONTADORA DOCUMENT

PA240012 Panama City ACAN in Spanish 2330 GMT 23 Jun 86

[By Ricardo Chacon]

[Text] San Salvador, 23 Jun (ACAN-EFE) -- Central American diplomatic representatives, with the exception of Nicaragua, jointly analyzed today the Contadora "message" which was delivered by the peace group in Panama City on 7 June. "The Central American plenipotentiary representatives have gathered here, with the exception of Nicaragua, to begin discussions about the results obtained from the last foreign ministers' meeting in Panama City," Salvadoran Deputy Foreign Minister Ricardo Acevedo stated during a news conference prior to the meeting. "We have gathered here to exchange viewpoints and determine what things we agree on, with the intention of preparing a strategy to be followed given the new situation which has arisen," the Salvadoran politician said. According to the information, the group of "technicians" has already met in Honduras and Costa Rica.

Deputy Foreign Minister Acevedo, who heads the Salvadoran delegation, asserted that Nicaragua is not attending because it is a "quick meeting," and "it is better if only the Central American countries which share viewpoints meet here." "Certain countries share more political viewpoints concerning what should be included in a document to guarantee democracy and security," he stressed. Acevedo added that "these four countries, which have authentic pluralist democracies in Central America, have sought each other out with the intention of discussing our common viewpoints so that these may allow us to establish common viewpoints in the negotiations, and thus advance more quickly."

The work meeting, which began today and will conclude tomorrow, Tuesday, 24 June, will also include Alfonso Alonso Lima from Guatemala; Jorge Hernandez Alcerro from Honduras; and Alvaro Antillon from Costa Rica. The Central American "plenipotentiary representatives" will try to analyze, according to the reports, "the policies to be developed by the Central American countries, except Nicaragua."

Acevedo revealed that the program includes topics such as security in Central America, military balance, and joint maneuvers in the area, which are some of the topics still pending before the Contadora Group, which is drafting the peace document. El Salvador said last week, through Foreign Minister Adolfo Castillo Claramount, that Contadora's tutelage has concluded and the Central American countries must now continue the work without mediators. The Salvadoran deputy foreign minister said today: "We must remember that Contadora is simply a mediation effort and cannot present any proposal so that we may accept or reject it." The Central Americans "are the ones who should guide the peace efforts in the zone, and that is why we have gathered here," he emphasized. "It is Nicaragua's fault that Contadora sometimes forgot the strict and correct procedure to be followed for the approval of the agreements," the Salvadoran deputy foreign minister said.

The Contadora Group, comprised of Panama, Venezuela, Colombia, and Mexico, has been exerting itself since 1983 to attain the signature of a peace document or agreement to settle 6 years of conflicts in Central America. The peace group announced last 6 June in Panama City that the formal negotiations had concluded and the only thing pending was certain details in the draft document and its signature. The Central American representatives pledged to reveal the results of their talks once they conclude.

EL SALVADOR

FMLN CLAIMS MORE CASUALTIES IN GARRISON ATTACK

PA232202 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 22 Jun 86

[Text] It was confirmed from San Miguel that the number of casualties inflicted during the occupation of the 3d Brigade garrison has increased because delayed action mines which were placed inside the garrison went off and inflicted more casualties. In other words, more than 253 casualties have been inflicted in the "Commander Yaneth Samour, on the March to Victory We Avenge Your Blood" operation.

In fact, remarks by Defensive [as heard] Minister Vides Casanova, who said that the number of people killed increased, confirms the reports received by Radio Venceremos about an increase in the number of the dead and wounded due to delayed action mines which were placed inside the garrison installations during the 4 hours of occupation there by the FMLN in order to catch the enemy by surprise and inflict more casualties on the enemy after our forces retreated from the garrison. This confirms that the number of casualties has increased. There were more than 253 casualties. This is the result of this strategic blow against one of the main and best protected enemy garrisons.

GUATEMALA

QUINONEZ ON C.A. CONTADORA MEETING, OPTIONS

PA240341 Panama City ACAN in Spanish 0300 GMT 24 Jun 86

[Text] Guatemala City, 23 Jun (ACAN-EFE) -- Guatemalan Foreign Minister Mario Quinonez Amezquita asserted today that his government seeks "a simple exchange of views" in the meeting being held with representatives from Honduras, Costa Rica, and El Salvador to analyze the Contadora Document. The Central American countries' plenipotentiary representatives, with the exception of Nicaragua, met today in El Salvador to seek "common viewpoints" concerning the document presented by the peace group last 7 June in Panama City.

According to Quinonez Amezquita: The mission which we sent "is not a high-level mission because we consider that it is only an exchange of views with certain Central American countries, because Nicaragua is not participating." The foreign minister clearly stated that Guatemala will also "have the opportunity to exchange views with Nicaragua when the delegation comes for the vice presidential meeting next Wednesday."

The five Central American countries' deputy foreign ministers will meet in Guatemala City next 25 June to analyze the organization of a regional parliament, the creation of which was approved in May by the presidents of the area. The Guatemalan foreign minister said that the new draft Contadora Document "shows different positions and viewpoints, so we want to collaborate in the search for solutions."

The Guatemalan foreign minister added: "Consequently, we will now exchange views with Honduras, Costa Rica, and El Salvador; then we will do so with Nicaragua." "The factorization analysis which Nicaragua is currently carrying out is an interesting foundation, because the control of weapons is a difficult problem and has precluded the achievement of a consensus." Nicaragua proposed on Saturday the creation of an inventory of the "weapons which really exist in the region and could be reduced or cancelled."

Nicaraguan Foreign Minister Miguel D'Escoto sent the foreign ministers of Contadora and Support Group (Peru, Brazil, Uruguay, and Argentina) a list of 14 offensive weapons, stating that they are willing to present an inventory of these weapons within the framework of the peace negotiations. "If the factorization being prepared by Nicaragua is effective, objective, and nonsubjective, it will be easier to achieve progress in the negotiations and reach an agreement," Quinonez Amezquita said. According to the Guatemalan foreign minister: "No changes have taken place yet concerning the Central American countries' opposed positions, particularly concerning the verification and control of weapons."

OFFICIAL VIEWS C.A. TRADE DIFFICULTIES, DEBTS

PA210021 Guatemala City PRENSA LIBRE in Spanish 20 Jun 86 p 9

[Text] Deputy Economic Integration Minister Eduardo Alfonso Estrada Galvez confirmed yesterday that trade with Honduras is paralyzed because the bilateral treaty has not been renewed. He added that Costa Rica has not closed its border to Guatemalan products. The official reported that talks with the Honduran authorities will be renewed in July, with the intention of seeking new commercial transactions within the framework of a treaty. He added that trade is possible, but Honduras is applying tariffs assigned to third countries to our products, while Guatemala is charging the tariffs agreed upon for countries in the area. Estrada added that Honduras owes our country $19 million due to the balance of trade.

Referring to trade with Costa Rica, the deputy economic integration minister stated that "it is being carried out normally, but problems might arise if we do not talk with that nation's authorities, because they need information about the measures adopted here according to the economic reorganization plan." He emphasized that "Guatemala has temporarily withdrawn from the clearing house, and this worries the Costa Ricans." They also want to establish commercial measures because the balance has proven unfavorble for them during the last months.

Guatemala owes Costa Rica $55 million plus interest. Estrada said he will talk with his Costa Rican counterpart next week to discuss the new systems which have been put into operation here. In conclusion, the deputy economic integration minister revealed that El Salvador owes Guatemala $60 million, and Nicaragua owes Guatemala approximately $200 million.

BRIEFS

FOREIGN EXCHANGE, REVENUE FIGURES -- Dr Federico Linares, president of the Central Bank of Guatemala, has reported that the bank currently has more than $200 million available in foreign exchange. He also said that an average $6 million in revenues from exports is registered per day. He said a total of $114 million in revenues has been reported from 6-18 June. [Excerpts] [Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 21 Jun 86 PA]

HONDURAS

GOVERNMENT DENIES AGREEMENT ON DISPUTED BORDER

PA231651 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 23 Jun 86

[Foreign Ministry note to Rodolfo Castillo Claramount, vice president and foreign minister of El Salvador, on 23 June]

[Text] Your Excellency, Rodolfo Antonio Castillo Claramount, vice president of the republic and foreign minister of El Salvador.

Dear Minister: The Honduran press has reveived an AP dispatch datelined San Salvador in which Colonel Mauricio Ernesto Vargas, military chief of the Department of Moranzan, Republic of El Salvador, said that an agreement has been reached with the Army and Government of Honduras to allow Salvadoran troops to enter the so-called guerrilla pockets to search for FMLN rebels. It also adds: The Army and Government of Honduras have allowed the Salvadoran Army to enter Honduras, but it has not accepted its permanence there. It also states: We can conduct fast operations, but we cannot remain inside Honduran territory.

The Honduran Government emphatically and resoundingly rejects the statements made by Col Vargas. Just the thought of such an agreement is farfetched. The Honduran Government abides by the General Peace Treaty signed by both countries in Lima in 1980 in the sense that the status quo of 1969 must be maintained. The solution of our unsolved border problems is the only option to strengthen peace, democracy, and the development of both countries. Consequently, not abiding by the General Peace Treaty a few months before the judicial process begins at The Hague International Court would be an action that conflicts with the national interests, and the Honduran Government is not willing to do this. As long as the border problem is not solved, we must maintain the 1969 status quo. My government rejects statements made by Colonel Vargas.

My respects to the vice president and foreign minister.

[Signed] Carlos Lopez Contreras, Honduran foreign minister.

SPECIAL ENVOY EXPLAINS OPPOSITION TO CONTADORA

PA240430 Panama City ACAN in Spanish 0415 GMT 24 Jun 86

[Text] San Salvador, 23 Jun (ACAN-EFE) -- Honduran Deputy Foreign Minister Jorge Hernandez Alcerro said today that his country's position "is not reflected in the key section of the Contadora Document." He made the statement during a meeting of the Central American countries' representatives taking place here. Diplomatic representatives of Central America, except Nicaragua, today jointly examined the Contadora (Mexico, Colombia, Venezuela, and Panama) "message" issued by the peace-seeking group on 7 June in Panama.

"The limits and reduction of armaments, the regulation of military maneuvers, and the statute on verification and control of the commitments are not addressed to Honduras' satisfaction," the Honduran envoy said. These three points, Hernandez said, do not reflect the Honduran position, and that is why we cannot sign the document proposed by the Contadora Group.

Before the meeting Hernandez said they had proposed a regulation on military maneuvers, and in this case, "Contadora is proposing a proscription that would enter into effect as soon as the peace document is endorsed by the five Central American countries." However, in the case of arms reduction and the statutes on verification, Hernandez explained, these would be discussed after the signing of the regional peace treaty.

Honduras, the envoy stressed, cannot sign a document in which points that are essential to its security are not clear. The meeting of plenipotentiary representatives will evaluate and outline the steps that Guatemala, Honduras, Costa Rica, and El Salvador will follow.

NICARAGUA

ORTEGA STATES POSITION ON CONTADORA PROPOSAL

PA231615 Managua International Service in Spanish 1338 GMT 23 Jun 86

[Statement by President Daniel Ortega during a "Face the People" meeting with workers at the Valle de Sabaco Agroindustrial Project on 21 June -- recorded]

[Text] We are unveiling Nicaragua's response to the proposal which the Contadora Group made to the Central American countries on 7 June. As you know, on 7 June the Contadora Group submitted a document to the Central American countries, that is, a draft peace document, together with a letter forwarding the proposal which contained a number of explanations on the proposal. In addition, the Contadora Group publicly issued a communique. From 7 June to date, we have learned of the reactions of some Central American governments. Chiefly, we have learned of the U.S. Government reaction. The United States rejected the Contadora Group's peace proposal.

As a matter of fact, some Central American countries have practically suggested that Contadora should be dissolved. This reaction can be explained because the U.S. Government has clearly opposed the Contadora Group's peace effort. Therefore, some Central American governments which respond to pressures from the U.S. Government have also spoken out against the Contadora Group's peace effort.

Truly, in the face of the Contadora Group's peace proposals, the Central American people's need of peace, and the Nicaraguan poeple's, there are two reactions: the negative and the positive reactions. There are two contenders, to put it that way, in the struggle for peace: the U.S. Goverment, bent on continuing its terrorist policy in Central America against the Nicaraguan people, and the Latin American governments, bent on promoting a peaceful solution that implies a respect for international law, nonaggression, and a halt to terrorist activities.

The United States has been responding negatively to this peace proposal from Contadora. Nicaragua has, once again, said that it favors the peace proposal made by Contadora. In other words, our response to the proposal made by Contadora is positive.

In the letter that we are making public today we ratified our confidence in Contadora's peace efforts. We feel that the only instrument to achieve peace at this time is Contadora's peace proposal. Therefore, we must complete the negotiating process so that, at the same time, efforts can be made to stop the aggression and create security conditions for the Central American states and Nicaragua in order for them to sign the peace act just as it was proposed by Contadora.

In its review of the peace act, Contadora clearly said that to sign the document there must be security conditions for all Central American states. Then we can say that Nicaragua's response is positive. In fact, in the letter that Contadora sent to all the Central American governments, it urged them to take certain steps in favor of the negotiating process and proposd that each Central American government draft a list of the weapons which they feel can be negotiated.

Nicaragua has defended the right that the Nicaraguan people have to defend themselves. It continues to defend this right. This is a basic principle that Nicaragua defends and will continue to defend always.

However, Nicaragua proposed a weapons inventory in Panama on 27 May. This inventory could be negotiated among the Central American states. It wasn't a negotiation of weapons for Nicaragua only, but for all Central American states. It is a list of 14 weapons, war instruments which, in the case of Nicaragua, have been used for the country's defense. They have no offensive nature. However, in order to help the negotiating process, Nicaragua proposed that this list of 14 weapons, because of its characteristics, be classified as offensive weaponry.

On that list we mentioned all kinds of planes, helicopters, and tanks. We mentioned military airports, military maneuvers, military bases, military advisers, and also ships used for military purposes. It was a total of 14 [items]. We included artillery with a certain minimum of millimeters.

In other words, we propose that the Central American governments discuss this type of weapons in the Central American region. These weapons can be characterized as offensive. These are weapons which could be eventually used as offensive weapons. However, we said that the other weapons, those under the limit of the millimiters established, should not be negotiated. We said that each country, according to its needs, will determine its weapons and military resources.

Therefore, following up on the proposal we made on 27 June [date as heard], in our letter we have now told Contadora that Nicaragua has its inventory of these weapons ready. They are 14 items. We have the inventory. We are working on a points system whereby each weapon would receive certain points. This is for the purpose of the negotiations in Central America.

We will try to explain this. If a plane adds so many points, the helicopoter adds so many points, the tank adds so many points, military maneuvers add so many points, military bases add so many points, etc. Then we would add the total points and would seek an agreement among Central American governments whereby these points would be taken into consideration as a point of reference for the negotiation.

If, for example, it is decided that all the Central Americans are to have 100,000 points, then how would we reach these 100,000 points? Well, will it be with planes, helicopters, or with artillery? Well, we would have to add all these resources, knowing that each of them has a certain point value. Then our proposal is very specific. It is a proposal that shows Nicaragua's willingness for peace. In other words, Nicaragua is not interested in an arms buildup. We are willing to have limits for all the Central American countries because, of course, our proposal is aimed at establishing limits for all the countries, not only for Nicaragua.

This is a negotiation that must affect all the Central American countries equally. In our letter to Contadora, we also insisted that Contadora promote the dialogue between the United States and Nicaragua so that their relations can go back to normal. This is a determining factor in all these tensions. Contadora should also promote the agreements among Central American states, for example, to supervise border territories. You know that an idea like this one was worked out with Costa Rica. This was aimed at placing a supervisory force in the border area that can watch over and control the border territory so that there won't be any counterrevolutionary actions from Costa Rica to Nicaragua. Our proposal in this regard was made to Honduras.

In our letter to Contadora, we could not omit the military escalation that the United States has continued against Nicaragua. The attitude of the U.S. Government is that the U.S. President has continued to request military and financial support for the mercenary forces. Our response is a constructive answer. Our answer is a positive answer. Our answer is an answer in favor of Contadora, of Latin America, of peace. It is in favor of the Nicaraguan people because it is a response to the Nicaraguan people.

On the other hand, we are confronted with the attitude of the U.S. Government. It is an aggressive attitude. It is an attitude of ignoring the Contadora peace effort and wanting to destroy it in order to be left alone to continue its terrorist policy against Nicaragua. It disavows international law; it violates the law by not abiding by the orders of the International Court of Justice of putting an end to the aggression against Nicaragua, by not accepting the role of the court in the case Nicaragua presented against the United States. The United States continues violating international laws; it continues violating its own laws by insisting on its terrorist policy against Nicaragua.

Thus, the situation is very clear in this respect. We want peace. Latin America wants peace. The Central American peoples want peace. Even the Central American rulers want peace. Following our tlaks at Esquipulas with the Central American rulers, I dare say that deep down inside the Central American rulers want peace. However, what happens? The United States is exerting pressure with its blackmailing policy, and it is forcing the Central American governments to speak out against peace, to speak out in favor of war, in favor of aggression. Thus, the United States dominates with all its power.

The situation continues to be very complex; the situation is very difficult. However, in fulfilling its duty of struggling for peace in a responsible manner and defending the vital interests of the revolution, Nicaragua has given this reply to the Contadora Group, and it is today making it public knowledge. We wanted you -- companero workers -- to learn a few of the details of Nicaragua's answer sent to Contadora.

CAPTURE OF 2D FOREIGN CONTRA REPORTED

PA231540 Panama City ACAN in Spanish 1514 GMT 23 Jun 86

[Text] Managua, 23 Jun (ACAN-EFE) -- The Defense Ministry reported today that the Sandinist People's Army [EPS] has captured the second foreign anti-Sandinist combatant in less than 15 days. The source did not identify or mention the nationality of this "other mercenary of foreign orgin" captured by the EPS troops in the war zone in Nueva Guinea, on Nicaragua's Atlantic coast.

Last week official sources reported that the army captured U.S. contra Lalio Warner in combat, also in the Nueva Guinea area. The unidentified foreign rebel and Warner will be presented to the local and foreign press in the next few days, the Defence Ministry said. This is the first time that Sandinist forces have captured a U.S. citizen fighting alongside the anti-Sandinist groups. The reports on the capture of the foreign contras have arisen a few days before the resumption by the U.S. House of Representatives of the debates on the economic and military aid for the anti-Sandinists.

IRANIAN FOREIGN MINISTER EXPRESSES SOLIDARITY

PA231841 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Jun 86

[Text] Iranian Foreign Minister 'Ali Akbar Velayati is paying an official visit to this country and has met with top Nicaraguan officials. At a news conference with local and foreign reporters, he expressed his solidarity with the Nicaraguan revolution.

D'ESCOTO VIEWS U.S. POSITION ON SOUTH AFRICA

PA210345 Managua International Service in Spanish 0000 GMT 21 Jun 86

[Text] Nicaragua denounced today in Paris what it terms a hypocritical and two-faced U.S. position regarding the implementation of sanctions against South Africa. The charges were made by Nicaraguan Foreign Minister Miguel D'Escoto at a world conference on sanctions against South Africa, being held in France. The revolutionary diplomat said that the United States refuses to approve the sanctions because it knows that they are the best weapons that the international community can apply to the criminal apartheid regime. In conclusion, Father D'Escoto said that the Reagan administration supports the attacks of the South African Army on neighbor countries, encourages the use of Namibian territory to attack Angola, and finances the Somozist bands that are attacking the Nicaraguan people.

ARCE LEADS DELEGATION TO SI CONGRESS IN PERU

Views Contadora

PA201511 Managua BARRICADA in Spanish 19 Jun 86 p 1

[Article by special reporter Maria Alicia Talavera]

[Text] Lima -- Commander of the Revolution Bayardo Arce, deputy coordinator of the FSLN Executive Commission, stated here today that the efforts of Contadora and its Support Group have been limited by the direct influence of the U.S. Government on the rest of the Central American countries.

Arce, who is also a member of the FSLN National Directorate, heads the Nicaraguan delegation that will attend the 17th Socialist International Congress that will be held in this capital from 20 to 23 June. Arce was greeted at the Jorge Chavez Airport by Lima Mayor Alfonso Barrantes.

In remarks to the Peruvian media tonight, Arce stressed that the policy of the Reagan administration in Central America has made the constructive and positive Conadora initiative difficult.

He emphasized: "Fortunately, the members of the Contadora and Support Groups have understood the political and historic importance of their effort because they have the chance to show the world a Latin America that presents alternatives, instead of those alternatives imposed from the north." He also stated that the results of the most recent meeting of foreign ministers, held in Panama City on 6 June, are a step forward in this peace effort and added: "We trust that Contadora and its Support Group will insist on this solution, the only one to achieve peace in Central America.

Meets Alan Garcia

PA202006 Managua Radio Sandino in Spanish 0000 GMT 20 Jun 86

[Text] Commander Bayardo Arce, vice coordinator of the FSLN Political Commission, today met with Peruvian President Alan Garcia. Garcia reiterated to Arce the solidarity of the Peruvian people and Government with the Nicaraguan people and Government. After the meeting, President Garcia told the press that Peru's support and solidarity with Nicaragua are without reservations and [words indistinct]. He added that the essential thing is that the Nicaraguans are brother Latin American people in a process of liberation. It is up to us to support them, he stressed.

The Peruvian president said that the Contadora and Support Groups produce Latin America unity, preventing interventionism in Central America and pressure against Nicaragua. We are with Nicaragua and that is the viewpoint that we are going to defend, President Garcia added.

ORTEGA COMMEMORATES FONSECA ANNIVERSARY

PA231726 Hamburg DPA in Spanish 1648 GMT 23 Jun 86

[Text] Managua, 23 Jun (DPA) -- The commemoration of the 50th anniversary of the birth of Commander Carlos Fonseca, who was the founder of the Sandinist National Liberation Front (FSLN), was marked by the determination of the Sandinist leadership to seek peace through political negotiation with the United States. Nicaraguan President Daniel Ortega, who is also coordinator of the FSLN Executive Commission, said that Fonseca knew that in fighting the Somozist dictatorship he was also fighting for peace.

Ortega noted that Nicaragua maintains its peace-keeping vocation, but at the same time has the right to guarantee the social benefits of the peoples achieved in the revolutionary process that began in 1979. Ortega said that for defense one must not renounce "the necessary instruments" in the face of the situation of military aggression financed by the United States and a possible direct intervention. Before Fonseca's tomb in the park plaza named after him in Managua, workers, government officials, students, and the population marched in tribute to the late Sandinist leader. Fonseca was killed in combat 9 years ago in the northern region of Nicaragua by a National Guard patrol in Zinica in Matagalpa Department.

LOW PARTICIPATION IN CONSTITUTIONAL DEBATES NOTED

PA201526 San Jose RUMBO in Spanish 13-19 Jun 86 pp 20, 21

[Excerpts] Over the past 2 weeks the Nicaraguans have been witnesses -- mostly passive witnesses -- to a feverish drive by the Sandinist government to consolidate its power through a new constitution. On behalf of the "people's democracy," Commander Carlos Nunez Tellez, president of the Nicaraguan National Assembly, has presided over half a dozen meetings with the government mass organizations, during which the articles of the FSLN-prepared draft constitution are discussed in the framework of the so-called "open town councils."

Despite the government's efforts, most Nicaraguans appear to be paying little attention to these constitutional debates, perhaps becasuse they share the certainty that in the end, no one outside of the FSLN will have any real say on the contents of the final version of that document. It is highly improbable that the overwhelming Sandinist majority in the National Assembly, where FSLN deputies outnumber those of the opposition by a seven to one ratio, will allow substantial changes to be introduced in the FSLN's draft when it enters the final phase of debate in that law-making chamber.

Only four left-wing political parties are bcking the FSLN in its race for the final approval of the new constitution. The Democratic Conservative Party (PCD) and the Independent Liberal Party (PLI), whose participation in the National Assembly is frequently questioned by their membership, decided not to participate in the "open town councils," thus remaining aloof with regard to the government project.

Conservatives and Liberals maintain that there are no guarantees in Nicaragua to hold open debates in view of the fact that every day hundreds of Nicaraguans are the target of repression by the state security agencies, sometimes only for being active in opposition political parties. The PLI stated that while the government is attempting to portray the "open town councils" as an exercise in democracy, 32 of the PLI's leading members in the provinces have been imprisoned after being arrested in their homes.

The PLI leaders said that this wave of arrests is also a form of "political revenge" that the FSLN is carrying out against the liberals, because they have not endorsed the draft constitution. The censorship office, meanwhile, sent a notice to the opposition newspaper LA PRENSA informing its editors that "following the instructions of the National assembly," no newspaper article dealing with the constitional debates would be subjected to censorship.

The newspaper seized the opportunity to publish an analysis of FSLN constitution draft that was prepared by the Democratic Conservative Party of Nicaragua (PCDN), the original and now divided bloc of the Nicaraguan conservative movement, which until then was banned in Nicaragua, as well as the mention of its president's name, Mario Rappaccioli. However, several days later, when LA PRENSA was beginning to intensify its criticism on the lack of freedoms in Nicaragua, the censorship office went back on its initial stance and banned publication of reports of that nature.

Although the citizenship's indifference to the plan has detractd from it, the mass organizations' participation in the "open town councils" has been a surprise because of the radical postures these have adopted, advocating the legalization of abortion, the loss of citizenship for "traitors," the suppression of "anti-patriotic producers," and, especially, the elimination of compulsory religious education in schools.

The manner with which the topic of religion is mentioned in the text of the constitution has been one of the most sensitive issues of the discussions and is outside the scope of the "town councils."

"There is no single invocation to God," sociologist Roberto Cardenal wrote in the newspaper LA PRENSA in an extensive analysis of the document.

Cardenal's study, which was in contrast with the partisan tone of the "town councils," has received the attention of all sectors of the country.

"The constitution commits the sin of omitting the mention of God, although the majority of Nicaraguans believe in a supreme being," Cardenal wrote.

BARRICADA, the official state newspaper, mocked "the right's criticism of the failure to invoke God in the constitution."

However, what truly irked the official newspaper was Roberto Cardenal's objection that according to Article No 127 of the draft constitution, the terms "fatherland and revolution" have the same meaning.

In general terms, the antireligious nature of the Sandinist government and its mass organizations had never before been so open as during the constitutional discussions. The church's situation is particularly difficult because the press censorship has declared an open war against its main leader, Cardinal Miguel Obando y Bravo, by banning the publication of even the cardinal's minor religious activities.

Moreover, the topic of abortion gave rise to heated debates after the Luis Amanda Espinoza Nicaraguan Woman's Association asked that abortion be legalized. It said that "Nicaraguan women are entitled to decide the use of our bodies."

The request by the feminist movement prompted protests in LA PRENSA for 2 days in a row. However, on the 3d day, the Interior Ministry censored the protests, in another violation of their own order to grant freedom to discuss constitutional matters.

According to the government's plans, the "town meetings" will continue in the next months before the Commission for Constitution Affairs of the Assembly submits the bill for final debate. The FSLN will most assuredly be able to enact a constitution before 31 December of this year.

By then, the Sandinist program to "institutionalize the revolution", started with the 1984 elections, will have formally drawn to a close. The revolutionaries will at last be happy having their own laws, despite the storms that they create along their path.

NICARAGUA CAPTURES MERCENARY OF 'CUBAN ORIGIN'

FL230111 Havana Television Service in Spanish 0000 GMT 24 Jun 86

[Text] The Nicaraguan Interior Ministry has reported that the second foreign mercenary captured in a group of Nicaraguan counterrevolutionaries is of Cuban origin.

The counterrevolutionary named Eulalio Fernandez Perez was detained in the Nueva Guinea zone east of Managua. Frenandez Perez was part of the bands armed by the United States.

During the past few days, the Nicaraguan Defense Ministry announced the capture during combat of U.S. mercenary Lalio Warner in the Cerro Aranca Basos, southeast of Nueva Guinea.

The capture of foreigners from the United States who are linked to counterrevolutionary groups confirms Washington's open support of those irregular forces while it is asking for more financial aid for the former Somozists.

IRANIAN FOREIGN MINISTER ARRIVES ON VISIT

FL231240 Havana Radio Progreso Network in Spanish 1100 GMT 23 Jun 86

[Text] Dr 'Ali Akbar Velayati, minister of foreign affairs of the Islamic Republic of Iran, has arrived in Havana on an official visit. During his stay in Cuba, the Iranian foreign minister will meet with top officials of the Cuban Government to discuss bilateral relations, the international political situation, and the nonalign countries movement.

Meets With Malmierca

FL231824 Havana Television Service in Spanish 1700 GMT 23 Jun 86

[Text] The Cuban and Iranian ministers of foreign relations, Isidoro Malmierca and 'Ali Akbar Velayati, began official conversations today in this capital city. The Iranian foreign minister arrived in our country yesterday on an official visit, invited by the revolutionary government. At the meeting, the two ministers discussed aspects of bilateral relations and exchanged viewpoints on the present world situation.

Rodriguez Also in Attendance

LD240842 Tehran IRNA in English 0800 GMT 24 Jun 86

[Text] Havana, June 24, IRNA -- The Iranian foreign affairs minister, 'Ali Akbar Velayati, currently visiting here, in a meeting with the Cuban vice-president, Carlos Rafael Rodriguez, Monday discussed international issues and mutual relations.

During the meeting which was also attended by the Cuban Foreign Minister Isidoro Malmierca, the Cuban vice-president stressed the need for consolidating stance of revolutionary countries in Latin America and Africa.

Praising Iran's support for the anti-imperialist campaign of the oppressed nations, Rodriguez called for further deepening of mutual relations and their greater cooperation in international circles.

Velayati, hoping that relations between the two countries will develop further, extended an invitation to the Cuban vice-president to visit Iran.

Meanwhile in a three-hour meeting with his Cuban counterpart, Monday night, Velayati discussed ways of further expanding mutual relations, cooperation of the two countries in international organizations, Non-Aligned Movement in particular, and also its forthcoming Harare session.

Malmierca referred to relations between the two countries and said that bilateral ties were sound and should expand further. Velayati also called for a greater cooperation among members of the Nonaligned Movement so that they will be able to rid themselves of economic domination of imperialism.

On the Non-Aligned Movement, Velayati said that it should firmly uphold its principles and remain non-aligned. Due to their common stance, Velayati told his Cuban counterpart, both countries can play a major role in materialization of the movement's goals.

On issues to be raised in Harare summit, Velayati said that top priority issues should include the situation in South Africa and the movement should pledge its support for Namibia and African Frontline countries.

Referring to the U.S. plots against Nicaragua, Malmierca said that the Nicaraguan people will continue to crush all those plots and resists U.S. threats.

On the situation in the Middle East region, Velayati said that there is a strong anti-U.S. movement and the nations, through their awakening, prevent expansionist policies of the U.S. and the Zionist regime.

Velayati also discussed the Iraqi-imposed war and stressed that the Islamic Republic of Iran will continue to defend itself.

Foreign ministers of the two countries decided that economic and international committees be set up to explore ways of expanding economic and trade relations and coordinating stances of the two countries on international issues.

AMBASSADOR RECEIVES SOVIET FRIENDSHIP ORDER

FL232152 Havana Radio Reloj Network in Spanish 1402 GMT 23 Jun 86

[Text] Petr Demichev, candidate member of the CPSU Central Committee Politburo and first deputy chairman of the USSR Supreme Soviet Presidium, today decorated Lionel Soto, Cuban ambassador to the USSR, in the Kremlin with the Friendship of the Peoples Order.

In the name of the CPSU and the Soviet Government, Demichev cordially congratulated the ambassador for receiving the high decoration which was presented to Soto because of his outstanding work to strengthen friendship and cooperation between the USSR and Cuba.

Soviet-Cuban relations, which are developed on Marxist and Leninist principles andd socialist internationalism, serve the interests of the peoples of the two countries and peace, Demichev said.

Soto expressed his appreciation to the CPSU and the Soviet state for the high estimation of his work and he indicated he would use all his efforts to strengthen Cuban-Soviet friendship.

Visits Uzbekistan

FL231516 Havana Radio Reloj Network in Spanish 1414 GMT 23 Jun 86

[Text] Lionel Soto, secretary of the Communist Party of Cuba and ambassador to the USSR, has paid an official visit to Uzbekistan, where he met with top party and state leaders and visited diverse factories. During his stay in Tashkent, from 18 to 21 June, the ambassador was received by Rand Abdullayeva and Sayyera Sultanova, secretary of the Communist Party of Uzbekistan and deputy chairman of the Council of Ministers respectively.

At the meetings, the existing relations between Uzbekistan and Cuba were discussed, as were the progress and economic success achieved by this Soviet republic in the last few years.

In addition, Soto visited installations of the scientific UVA [not further identified] combine, modern installations of the local subway system, and other areas in Tashkent in which the new architecture of the city rebuilt after the 1916 earthquake is visible. The Cuban ambassador also visited the historic city of Samarkano, founded 25 centuries ago.

Meets With Shevardnadze

FL240136 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Jun 86

[Text] Soviet Foreign Minister Eduard Shevardnadze, member of the CPSU Politburo, met today in Moscow with Cuban Ambassador to the USSR Lionel Soto, member of the Secretariat of the Communist Party of Cuba Central Committee. During the meeting, topics of mutual interest were discussed. The Cuban diplomat also visited Uzbekistan where he met with the highest political and Government authorities in the USSR.

MALMIERCA RETURNS FROM PARIS MEETING ON SOUTH AFRICA

FL231203 Havana Tele-Rebelde Network in Spanish 1100 GMT 23 Jun 86

[Text] Foreign Minister Isidoro Malmierca Peoli and the delegation that accompanied him to the international conference on sanctions against South Africa, held in Paris, France, have returned to our country. The conference lasted 5 days and was attended by representatives from 130 countries and international organizations. The delegates debated the situation in South Africa and supported the adoption of concrete measures against th apartheid regime.

DELEGATION ATTENDS YUGOSLAVIAN PARTY CONGRESS

FL232348 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Jun 86

[Text] Commander of the Resolution Juan Almeida Bosque, member of the Communist Party of Cuba Politburo, arrived today in the Yugoslav Capital heading a delegation to Yugoslavia's 13th League of Communists [LCY] Congress.

The Cuban delegation was met by (Sasiana Vasil Jerid), member of the Presidium of the Socialist Alliance, and Milovan Markovic, member of the LCY Presidium.

POLISH TRANSPORT MINISTER ARRIVES FOR CEMA MEETING

FL231836 Havana Television Service in Spanish 1700 GMT 23 Jun 86

[Text] Polish Minister of Transport Janusz Kaminski has arrived in Cuba to participate in the 75th meeting of the permanent commission of CEMA in the field of transport. The Polish minister will act as chairman of the meeting. (B. Kalpakov), vice minister of roads and communications of the USSR, has also arrived in our country. The meeting will be held from 24 to 27 June at the Palace of Conventions.

FAR DELEGATION CONCLUDES VISIT TO KAMPUCHEA

FL240144 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Jun 86

[Text] The FAR delegation headed by Vice Admiral Aldo Santamaria today concluded its 1-week visit to Kampuchea after participating in the activities commemorating the 35th anniversary of that Indo-Chinese country's army. During its visit to Kampuchea, the Cuban delegation visited several areas of economic, historic, and cultural interest and met with that country's highest leaders.

FORMER PRESIDENT OF MEXICO ARRIVES ON VISIT

FL1231245 Havana Tele-Rebelde Network in Spanish 1100 GMT 23 Jun 86

[Text] Former Mexican President Luis Echeverria has arrived in Cuba, invited by Commander in Chief Fidel Castro Ruz. He was received at the Jose Marti International Airport by Jose Ramon Fernandez, alternate member of the Politburo and vice president of the Council of Ministers, other state leaders, and by Mexican Ambassador to Cuba His Excellency Enrique Olivares Santana.

JOSE FELIPE SUAREZ NAMED AMBASSADOR TO TOGO

FL231340 Havana Tele-Rebelde Network in Spanish 1100 GMT 23 Jun 86

[Text] The Council of State has designated Comrade Jose Felipe Suarez ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Republic of Togo, with residence in Cotonou, People's Republic of Benin, where he holds the same position.

U.S. 'ATTACKS', 'PRESSURES' ON MEXICO VIEWED

PA232223 Havana International Service in Spanish 2300 GMT 22 Jun 86

["Our America" commentary]

[Text] Once again, Mexico has become the target of U.S. attacks and pressures. Thursday, ultrarightist lawmaker Jesse Helms, chairman of the U.S. Senate Subcommittee on Western Hemisphere Affairs, said that President Miguel de la Madrid was fraudulently elected in 1982.

Helms, who for several weeks has been carrying out a fierce campaign against alleged official corruption in Mexico, said that according to documentation in his hands there was a vote count that was made separately from the official vote tally following the elections, which gave victory to President de la Madrid.

When the time came to show to the press the alleged government documentation that presumably supported his statements, Senator Helms gave reporters typewritten copies of the Mexican election results, which did not constitute official evidence in any way. Immediately afterward the Republican Helms insisted that Mexico does not deserve economic assistance from the United States to resolve its sharp foreign debt crisis until it reforms its political system.

This new attack is but a repetition of previous attacks, also carried out by Helms, sounding board of the Reagan administration's pressures over Mexico's sovereignty. Immediately after Senator Helms criticized the Mexican electoral process, William Rogers, former assistant secretary of state for inter-American affairs, testified before the Subcommittee on Western Hemisphere Affairs that the statements and accusations will trigger anti-U.S. demonstrations in Mexico like those that followed the previous attacks.

Leaving all this policy of intrigue and discredit against a sovereign state aside, it is evident that the Reagan administration has plunged wholeheartedly into a campaign of attacks against those states that do not bow to its directives and orders. Not long ago we said that Mexico's brave foreign policy stance was one of the reasons why the U.S. singles out this nation as a target of its attacks. In this same context, one cannot help but raise an eyebrow at the proposal that President Reagan made to the Mexican legislators who participated in the 26th U.S.-Mexico interparliamentary meeting held several days ago. At that meeting, the U.S. President asked Mexico to help, together with the United States, those who are fighting for freedom, in a clear reference to the Nicaraguan counterrevolutionaries.

If accepted, that brash proposal would mean that Mexico would have to abandon its clear position on principles and its active participation in the Contadora Group to line up on the opposite side of the street in connection with the negotiations is has so steadfastly supported until now.

At the meeting with Reagan, Antonio Riva Palacio, president of the Mexican Senate, insisted that the relations between the two countries must be founded on the principles of self-determination nonintervention, and peaceful resolution of conflicts.

The United States undoubtedly wants to compromise Mexico and its domestic policy to discredit that Latin American nation and diminish its influence in the Central American peace efforts. So far, the U.S. Government has been unable to change Mexico's sovereign position that its national principles and interests are not negotiable.

CAMAGUEY USES SATELLITE TO ACCESS DATA BASE

FL211744 Havana Television Service in Spanish 1700 GMT 21 Jun 86

[Text] For the first time in Camaguey Province, tele-communications specialists have established a service accessing a data base by using a satellite. A group of technicians established communications with the CEMA International Center for Scientific-Technical Information in Moscow. The system has been used for the past 2 years in Cuba by the National Center for Exchange of Automated Information at the Cuban Academy of Sciences. This experience demonstrates the possibilities available for Camaguey for using that type of documentation and it is expected to be installed at the multi-faceted scientific-technical information center in the Academy of Sciences.

ELECTRIC POWER DISTRIBUTION SYSTEM COMPLETED

FL231658 Havana Tele-Rebelde Network in Spanish 1100 GMT 23 Jun 86

[Text] The interconnection of the 130-kilovolt line from Baracoa to Maysi has been completed, and all the municipalities have thus been connected to the national electricity network. Today, the network reaches from one end of the island to the other, from San Antonio to Maysi, providing electricity to all the municipalities.

On the Isle of Youth, there is another network powered by a large diesel generator, and other diesel generators guarantee the supply of electricity in very remote areas of the mountains.

BRIEFS

NEW BURMESE AMBASSADOR -- Carlos Rafael Rodriguez, vice president of the Council of State, today recieved the ambassador of the Socialist Republic of the Union of Burma in Cuba, Maung Maung Gyi, who presented his credentials. Jose Viera, minister of foreign relations ad interim, participated in the ceremony. [Text] [Havana Radio Rebelde Network in Spanish 2300 GMT 20 Jun 86 FL]

BAHAMAS

PINDLING SAYS ELECTIONS TO BE HELD BY AUGUST 1987

FL232108 Nassau Domestic Service in English 1200 GMT 23 Jun 86

[By Obie Wilchcombe]

[Statements by Prime Minister Lynden O. Pindling at a news conference to announce formal opening of government adminstrative offices in Grand Bahama; date not given -- recorded]

[Text] On to the general elections, the prime minister [Lynden O. Pindling] was asked when.

[Begin recording] The day when I know what the date is but I don't know what the date is yet. But it will be pretty soon. It must be by August of 1987, and I'm not going to leave it until August. I've never left it until the last minute yet, and I don't think I'm going to make that a habit, so it will do [as heard] before the deadline. [end recording]

DOMINICA

CHARLES TO VISIT LONDON, BRUSSELS, GUYANA

FL231135 Bridgetown CANA in English 1619 GMT 22 Jun 86

[Text] Roseau, Dominica, June 22, CANA -- Dominicas Prime Minister Eugenia Charles is off on a three-nation tour that will climax in her attendance of the Caricom heads of government summit in Guyana next month.

Charles left for Britain yesterday and will visit Brussels before flying to Georgetown. In London, she will hold talks with Prime Minister Margaret Thatcher, Foreign Secretary Sir Geoffrey Howe, and Overseas Aid Minister Timothy Raison and other top officials. She told reporters the utilisation of a five million sterling loan from Britain will be discussed with British officials.

Dominica is the first island among the Organisation of Eastern Caribbean States (OECS) Grouping to receive such follow-up assistance from Britain after the so-called independence golden handshake. The island, like the other OECS countries, has already received a 10 million sterling independence gift package. Dominica's fund is mainly being used in the banana industry.

Charles said Britain was prepared to help in the marketing of the island's products, through the five million package, but she would also seek for the construction of a sea wall outside the capital, and the repair of a jetty to facilitate small boats engaged in inter-island trading.

She said if the jetty is repaired, it may also be possible to direct tourist ships to this area and leave the island's main port free for commercial cargo vessels.

Charles will be accompanied to London by newly-accredited non-resident ambassador Franklyn Baron. Her trip to Britain is at the invitation of the Thatcher government.

In Brussels, Charles will finalize plans for the establishment of a Dominica mission there. Former trade minister Charles Savarin is carded to head the mission and is expected to take up duties next month.

The Prime Minister also said that she would be discussing with the European Commission a programme for the establishment of two youth recreational centres in Roseau. Thorugh this programme, football and athletics facilities at the Windsor Park, the island's main sports field, will be upgraded, and a cricket ground of test match standard is to be developed at the botanical gardens, a former centre of cricketing activity; which was destroyed by Hurricane David in 1979.

GRENADA

BLAIZE TO PURSUE APARTHEID ISSUE IN CARICOM

FL231125 Bridgetown CANA in English 1606 GMT 22 Jun 86

[Text] St Georges, Grenada, June 22, CANA -- Grenada Prime Minister Herbert Blaize says he intends to raise the issue of apartheid at next month's Caricom heads of government summit in Guyana. I have undertaken as leader of the government of Grenada to see to it that this matter is raised at the Caricom heads of government meeting in Guyana, he said in a radio broadcast.

Blaize said he would seek to have the other heads look at the call from the World Council of Churches (WCC) for there to be concerted and cooperative action to bring pressure on the racist regime in Pretoria. I feel if such cooperative action could be taken at that level more weight would be brought to our decisions than if each individual state takes similar action, he said.

NNP LEADERSHIP MAY SPLIT IF BLAIZE STEPS DOWN

FL122512 Bridgetown CANA in English 2036 GMT 21 Jun 86

[Text] St Georges, Grenada, June 21, CANA -- Nearly two years after it was hastily stitched together on a tiny palm-fringed Grenadine holiday island, Grenada's ruling party (NNP) [New National Party] seems headed for its toughest challenge yet.

Rumblings of discontent in the ranks of the three-party alliance, headed by aging Prime Minister Herbert Blaize, have never been far beneath the surface. But gradually they are beginning to breakthrough, and could prove an embarrassment to the sponsors of the alliance that won all but one of the seats in Grenada's 1984 general elections -- a poll that returned the country to parliamentary democracy after a four-and-a-half-year flirtation with socialist revolution.

The resignation of Junior Education Minister Kenny Lalsingh from the NNP, following a running battle with the hierarchy of the party over charges that he misappropriated state cement, appears to have been the start of a train of events that could eventually lead to the formation of a new opposition to the NNP, incorporating in its ranks some figures now in the ruling party. Lalsingh has already announced his intention of forming his own political party, and has predicted that at least three other NNP members will join him.

Usually reliable sources here have confidentially named the NNP members of parliament expected to join the proposed party and said one of them may in fact head the organisation. But none of the persons involved were immediately available for comment.

Another Grenadian political figure said to be involved in talks about the formation of the new party is Winston Whyte -- a regular figure of local politics over the years who made an unsuccessful bid for a parliamentary seat as leader of a small Christian Democratic party in the 1984 general elections. Whyte may well have the satisfaction of seeing some of his party's Christian democratic principles form the basis of the constitution of the new political party, according to some sources here.

These manoeverings, involving as they do some figures inside the NNP, betray the fragility of the alliance that was glued together on Union Island with generous U.S. and conservative Caribbean help in August 1984, four months before the elections. Leaders of the three parties that eventually formed the NNP -- Dr Francis Alexis of the Grenada Democratic Movement (GDM), Blaize, long-time head of the Grenada National Party, and George Brizan of the New Democratic Party (NDP) -- went to Union Island ostensibly at the invitation of St Vincent Prime Minister James Mitchell after their own efforts to form an alliance foundered on the issue of who should be leader.

Joined on Union Island by late Barbadian Prime Minister Tom Adams, John Compton of St Lucia, and host Mitchell of St Vincent, the three Grenadian politicians were said by reliable sources to have heard the proverbial reading of the riot act from their regional colleagues, capped with a warning that unless they agreed on an alliance, the Caribbean islands, which joined the invasion of Grenada in 1983, and the U.S. itself will abandon them to Eric Gairy's United Labour Party, which appeared to have been gaining strength at the time in the face of the divisions in the other parties. At the end of the day, they agreed on the formation of the NNP, with Blaize, a veteran Grenadian politician and former chief minister, as leader but with most of their differences papered over, rather than genuinely resolved.

One outstanding issue which remained unsettled until nearly a full year after the NNP won the elections was who should be Blaize's deputy and, therefore, his heir apparent in the NNP. The two leading contenders were Alexis, the labour minister, and Brizan, although since his assumption of office as prime minister, Blaize has appeared increasingly to favour his foreign minister, Ben Jones, as his deputy. Jones, a long-time associate of Blaize's in the GNP, acts as prime minister when Blaize is out of the island, and there is general agreement here that Jones would succeed Blaize should the 67-year-old prime minister decide to retire.

This leaves Dr Alexis with the party, but not the government. The six months or so that he has been deputy political leader has made no apparent difference to his position vis-a-vis Jones as Blaize's successor to the prime ministership. Some analysts here say a realisation that his influence in the government may not immediately rise above that of labour minister -- a politically non-sensitive cabinet post -- could easily inspire him to cast his lot with a new political party whose primary aim would be to offer a viable alternative to the NNP, and fill the vacuum in the opposition created by the new clean sweep of the polls by the NNP in 1984.

Meanwhile, Brizan is preparing his challenge for the next NNP convention which is scheduled for sometime near year-end. Brizan and Alexis duelled for the number two spot in the NNP at the last convention in late 1985.

A proposal for the party to create a second post of deputy political leader, specifically to accommodate Brizan, was defeated, and Alexis emerged as Blaize's deputy in the NNP. Brizan remained relatively quiet afterward but has confided to close aides that he does not intend to do so again when the NNP holds its next convention.

All of this is taking place against the background of persistent reports that an ailing Blaize may relinquish his post. He has himself denied these reports, but has travelled to the U.S. twice in the past six months or so for medical treatment for what is being described as a prostate disorder. Blaize received radiation therapy at Walter Reed Army Medical Centre when the visited the U.S. late last year. Though he has denied plans for retirement soon, Blaize has offered no explanation about the nature of his illness.

ST LUCIA

LABOR PARTY PREPARES FOR EARLY ELECTIONS

FL211448 Bridgetown CANA in English 1426 GMT 21 Jun 86

[Text] Castries, St Lucia, June 21, CANA -- The opposition St Lucia Labour Party [SLP] has called for its annual convention ahead of schedule, in anticipation of early elections, according to SLP officials. Members and supporters from across the island will assemble at Choiseul Community Centre tomorrow to continue preparations for elections, constitutionally due less than twelve months.

During the past few weeks political activity in St Lucia has intensified. Both the main St Lucia Labour Party and the left-leaning Progressive Labour Party (PLP) have been more visibly active on the political front in the belief that Prime Minister John Compton will go for an early poll in his bid to secure a second straight five-year term for his ruling United Workers Party (UWP).

SLP Secretary Hilary Modeste said the convention has been brought forward from August this year to June in the event that an early election is called. He said on Sunday they will deal mainly with the constitutional aspects of the party, the re-elections of officers, and examine some resolutions. We want to get that out of the way, as we are not sure when the prime minister will call the next election. However, we have decided that if the poll is not called by August, we will have a special conference where we will present the party's social and economic policy programme for discussion and ratification, modeste said.

He added: What we are doing in fact is anticipating an early election, which if called we would have had our officers in place, and we would be going into the contest as a united party. We realised that we have to be ready anytime a date is announced, and we thought it was necessary to advance the date from August to June this year.

Delegates to the convention will hear reports from the chairman, Tom Walcott, the leader of the opposition in parliament Neville Cenac, Executive Secretary Modeste, and an address from the political leader Julian Hunte. Hunte is expected to itemise some major policy areas of the SLP and announce plans should the party be elected to from the next government.

The feature address will be given by St Lucian Lennie St Hill, a town planner now resident in Barbados.

JACKSON SAYS RAPPROCHEMENT SOUGHT WITH U.S.

F1231255 Bridgetown CANA in English 2055 GMT 22 Jun 86

[Text] Bridgetown, Barbados, June 22 CANA -- The Guyana Government does not intend to divest state enterprises, Foreign Minister Rashleigh Jackson has been quoted as saying. Jackson was explaining the government's economic liberalisation programme in an interview with the London-based LATIN AMERICA WEEKLY REPORT. There is to be no privatisation of state enterprises, he said.

Jackson said that if any of the 40-plus enterprises do not submit viable profit plans by the end of this month they face closure and possible transfer to the private sector. The private sector, he said, is to be encouraged to enter manufacturing, forestry, and agri-business as new ventures leaving the retailing sector to the government in order to control prices.

On the bauxite sector, the publication reported that Jackson said that ultimate state ownership would remain even if this was not absolute.

Jackson said the policies of President Desmond Hoyte, which show a shift to the right, do not represent a change in direction but rather a different style of leadership. The PNC under (the late President Forbes) Burnham had clear objectives, independence, new values to replace colonial mentalities, republican status, ... non-alignment and control of the economy.

But the publication said that as a result of those policies which it said produced virtual bankruptcy, the next stage, according to Jackson, must be one of reconstruction, with new tactics recognising concrete realities.

Referring to talks with a top U.S. state department official, Jacson said that our expectations are high for improved relations. The publication said that U.S. wheat and food aid resumes at the end of the month. But Jackson said: Washington must not push us away from our non-aligned position, nor insist upon modifications to our relations with Cuba.

HOYTE INTERVIEW IN VENEZUELAN DAILY CITED

FL240016 Bridgetown CANA in English 2337 GMT 23 Jun 86

[Text] Caracas, June 23, CANA-REUTER -- [Venezuelan] Foreign Minister Simon Alberto Consalvi today praised Guyanese President Desmond Hoyte as a serene and prestigious statesman with an understanding of the importance of bilateral cooperation. Consalvi said he had discussed with President Jaime Lusinchi statements Hoyte made in an interview published today by the daily newspaper EL NACIONAL. We think they have positive aspects and are favourable to the progress of the conversations Guyana and Venezuela have held in recent years, Consalvi said.

In the interview, Hoyte said he is open to any initiative which would help resolve the dispute over the Essequibo border region, a 53,000 square mile territory which Venezuela claims was unfairly awarded to Guyana in an 1899 arbritration. Both nations have turned the controversy over to the United Nations secretary general, who has been empowered to choose the means of resolution. As good neighbours we have to seek practical solutions that take into account the interest of the peoples of Guyana and Venezuela, Hoyte said.

The Guyanese president said his government, elected last December, was receptive to the secretary general's proposal that a contact group be created to serve as mediators between the two nations. However, Hoyte insisted that all proposals will have to satisfy the dignity of the Guyanese peoples. This criteria is also true for the Venezuelan people. I don't have an inflexible position on this matter. I'm open to negotiation, he said.

Hoyte also said that while his government has invited foreign oil companies to bid on exploration rights in Guyana, there are currently none operating in the Essequibo.

The question of the Essequibo has divided Venezuela and Guyana and been a rallying point for nationalism over the years. When Venezuela bought F-16 fighter jets from the United States in 1982, the late president Forbes Burnham protested, saying the planes could eventually be used to attack Guyana.

With Hoyte's arrival to power, the border controversy has begun to take a back seat, as the two nations have sought areas where they can cooperate. In April, an agreement was signed by which Guyana will exchange 500,000 tons of bauxite yearly for 10,000 barrels per day of Venezuelan oil.

Over the weekend, a Venezuelan trade mission completed a four-day visit to Georgetown to seek ways of further improving commercial relations. In Georgetown, senior trade ministry official described the talks with government and private sector representatives as fruitful. The Venezuelan team was supplied with lists of especially non-traditional products which Guyana could supply to Venezuela. For both sides the opportunities look very good, the official said.

Sourcees said it was expected that imports would initially be made by Guyana, under a line of credit agreement which already existed between the two countries. The Venezuelans said they could supply steel and steel-products, paper and paper products, pharmaceuticals, electrical products, water pumps, and agricultural, and other chemicals.